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# **M E M O I R S OF THE PHILIPPINE ISLANDS**

by

Don Luis Prudencio Alvarez y Tejero

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Caberizo Printing  
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# **M E M O I R S OF THE PHILIPPINE ISLANDS**

**WRITTEN AND PUBLISHED**

**by**

**Don Luis Prudencio Alvarez y Tejero**

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**VALENCIA  
Caberizo Printing  
1842**

***Translated from Spanish by Lourdes R. Arespacochaga***

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## TABLE OF CONTENTS

<b>Foreword</b>	<b>ix</b>
<b>Preface</b>	<b>x</b>
<b>PART I</b>	
<i>The Administration of Justice</i>	2
The Courts of the Territory	2
The Mayors and Magistrates in Other Branches of the Government	9
Reforms in the Branch	10
Observation	16
Inheritance Court of the Estates of The Deceased and Their Heirs	17
<b>PART II</b>	
<i>The Public Treasury</i>	20
Collection of the Treasury	20
Employees	23
The Taxes	24
Tobacco Tax	26
The Wine and Liquor Tax	30
Offices of the Treasury	31
Warehouse of Provisions, Small Boats of the Ministry; The Military Hospitals and the Royal Drugstore	35
The Provisional Money in the Philippines	37
The Ecclesiastic Chapter and Parish Priests of the Philippine Islands	40
<b>APPENDIX</b>	
<i>Charitable Institutions of the Philippines</i>	
Obras Pias	44
Conclusion	45
<b>THE POST OFFICE</b>	
<i>Observations Cited</i>	50
Royal Decree Cited in These Memoirs and the Exchequer	61
Against the Ideas of the Pamphlet	64
Conclusion	67



## FORWARD

In translating and publishing the writings of foreign chroniclers in English and Filipino, the National Historical Institute provides scholars, historians and the public with essential information and insights necessary in understanding the impact of colonialism in Philippine life.

*The Memoirs of the Philippine Islands* by Don Luis Prudencio Alvarez y Tejero, a distinguished Spanish lawyer who became a representative of the Philippines in the *Cortes*, puts together some notes on the reforms which, he believed, should be introduced in the Philippines to achieve prosperity. The author also cited the prevailing conditions of some branches of the government during his stay in the country which he considered as hindrances to its success. It is hoped that through the author's observations on how the Philippines was managed by his compatriots, who were supposed to safeguard the rights and interests of the people of the Islands, the roots of some problems of contemporary society may be clearly understood.



SAMUEL K. TAN  
Chairman and Executive Director

## P R E F A C E

*H*onored with the position of representative of the Philippine Islands in order to safeguard its rights and interests in the *Cortes*, and wishing to return the favor for the honor I am indebted, 15 days after my election, I left the Islands and sailed for Spain, giving proof to my constituents of my best intentions and of my decision to live up to the trust given me.

After the trip of six months which was full of risks, privations and danger, I happily set foot on Spanish soil again after an absence of more than 13 years. I was bringing with me unforgettable memories and gratitude for the country where, although was beset by misfortunes, I found a new life. I was proud of having a high position, which, if I had wanted it for myself, could only have been because it enabled me to show my gratitude to its people. Upon arriving at the port, I learned that my mission had lapsed and knew that all the sacrifices I had undergone to come to work for the welfare of those people had all been to no avail. The law that provided for the non-admission of representatives from overseas to sit in the Congress for which we had been convoked had been approved. The Constitution in force had been ratified and promulgated, and the second article of its amendment read, "The provinces overseas are to be governed by special laws."

I learned about these provisions, which I respected and respect as a Spanish citizen. But I must say that if the underlying principles governing these special laws are just, it would not be hard to enact those affecting justice, politics and public welfare. However, since my purpose is not to write on such matters, I will go on with what I intend to do, to give an idea of what the Philippine Islands is. In these memoirs, I pray, its inhabitants will see my gratitude and ardent wish to contribute to their success, such success which shall always be a great concern of mine.

As an explicit proof of this, I shall remind the Government and all the Spaniards, on behalf of my friends from overseas, about the constant and genuine loyalty of the people of the Philippine Islands for Spain, which to-date has not been disproved, in spite of the diverse and horrible political changes which the Peninsula has been undergoing during the present century. The Islands merit all the consideration of the noble Government which now controls the destiny of the country, and the attention of the co-legislative bodies so that when the discussion of the special laws which should govern the Islands comes up, their objectives will be for the happiness of the people, the improvement of their condition and for their progress, the attainment of these being through the simplest means possible. Such are my ardent wishes. I believe I can contribute in a little way by introducing the Philippines to those who do not know about it. I have put together

some notes taken down during my leisure hours, about the reforms which can and should be introduced in the Philippines for the purpose of achieving prosperity for its people.

I write with conviction, and although I cannot do so with the seal of authority, I have the great experience as a resident of the Philippines to back me. The reason these reforms are needed (changes which are the effect of the enlightenment of the present century) is because after 300 years, during which that precious part of the Asiatic world has been ours, we have hardly contributed anything to its emancipation and it is still in the same state of obscurity in which the immortal Legaspi found it during its conquest. The history of the Islands proves this. The knowledge of this history and all that tradition has passed on to us with regard to these Islands, all justify the need to give it more attention for the improvement that it deserves, which can be given to it with little or no cost to us at all.

Some of these means which were employed in its conquest, protection or support and some changes done afterwards are useful. By basing the reforms on these principles and giving due respect to the customs of its people (as long as they do not hinder such reforms) will undoubtedly bring about favorable results. It should, therefore, be reiterated that in the enactment of laws or introduction of reforms, the legislator should never lose sight of the habits and customs of the people and should respect their institutions as much as possible. With these as a point of departure, it is highly probable that the reforms will be effective. On the other hand, should the legislator mutilate the history of the country, destroy its institutions and ignore the customs of the people, whatever changes he might have imagined possible in theory, though done in good faith and with the best intentions, could only cause irreparable harm. And this could give rise to complaints and such dissatisfaction that could even end in an uprising because they are powerful and can have the capacity to do this. The indiscretions of the legislator might therefore lead to war or revolution with the concomitant disasters and crimes. The laws should be in accordance with the peculiarities of the country for which they are made; due respect should be given to certain basic principles and customs which can bring about the happiness and prosperity of the country and its inhabitants.

Lastly, I hope that when this token of my gratitude, dedicated to my friends in the Philippines, reach them, they will see in it my wish for their happiness. Everything that I write has no other aim but to make known their significance and why they deserve these reforms for the preservation of peace, the amelioration of their hardships and the betterment of their condition. All of these, for the prosperity and success which I wish most earnestly for everyone.

## MEMOIRS OF THE PHILIPPINE ISLANDS

The Philippine Islands, situated at a vantage point at the center of the Asian commercial world, a land of great extent and considerable population, (a land of fertile soil adapted to the production of tropical crops), should be given reforms by the Spanish Government. Even as we work for the maintenance of the internal peace and security which are indispensable to the Islands, we should provide such reforms for the advancement of agriculture and commerce which can be attained because of the natural wealth of the country, its ideal location and fertile soil.

I have written these brief memoirs hoping that such objectives will be attained; to describe the conditions of the Philippines when I left, to cite the obstacles to its success and the means by which these obstacles can be overcome. Maybe, the more talented might find more time to write on this important matter, more meticulously and precisely, and give their opinions in order to influence that noble Government that now controls the destiny of the country to grant the reforms required by the provinces of the Philippines for their prosperity and success.

I shall confine myself to pointing out what 12 years of living in the Islands have taught me so that the Philippines might have a more systematic administration of justice and of the public treasury. Both branches should undergo great reforms that will have the best effects for the Islands as well as for the Metropolis.

I beg the indulgence of my readers and pray that they overlook whatever mistakes they come across. May they see the author's ardent wish for the betterment of the Islands, especially of those branches of the government cited. Should these lines, though poorly written, be of some good to that country, then indeed, the writer shall feel duly compensated and have the satisfaction of having contributed, even in a little way, to the attainment of such worthwhile objectives. This is the only reward he seeks, for he has the greatest esteem and affection for the Filipino people and has only their welfare and happiness at heart.

LUIS PRUDENCIO ALVAREZ

## **P A R T I**

## THE ADMINISTRATION OF JUSTICE

 It is a fact that the prompt and proper administration of justice is the basis of happiness, order and peace of all the countries of the world. Wherever justice does not reign in all the fullness of her power, only confusion and disorder ensue, and grant harm that gives rise to scandal and pain. Thus, where there is no justice, nothing good exists; there is no haven for the innocent; discord abounds everywhere; the law of might crushes the weak. Ultimately, whatever ills or wrongs afflict man exist in places where justice and its benefits are unknown.

Throughout the Philippines (the precious gem of the Orient, according to authors before my time), the prompt administration of justice, and the benefits derived from it are unheard of. Certain obstacles, which I shall cite, that bar the administration of justice should be removed; changes or a total radical change should be made as the first step toward the attainment of the happiness of the people. For such a vital branch of the government to remain at status quo is to hinder or deter the advancement or progress of the country. Existent laws, no matter how wise, prescient or just, are not effective. These will be proven in the following.

### I.

## THE COURTS OF THE TERRITORY

The high regard held by the Indios for the court of Manila stems from their tradition of having had judges visit their provinces. These visits contributed greatly to their welfare. The visiting judges were actually friendly mediators, rather than strict judges in their misunderstandings. They settled disagreements, made transactions, fixed the boundaries of lands and even towns, gave out municipal ordinances which were obeyed, and which protected the people from the abuses of the mayors and even of the parish priests. These judges went to them, not to impose penalties, mete out punishments, or to correct anything with the use of force, but to foster good will, do away with conflicts and put an end to dissensions among families, neighbors and even among towns. They were considered fatherly and generous, were looked upon with respect, esteem and deep appreciation. These visits disappeared like many other good practices that had given prestige to the Spanish name. Doing good and refraining from causing harm also disappeared. Going back to the old practices would not be easy, nor would it bring about the good it had before. There are a number of reasons for this, too long to enumerate

here. Nevertheless, to help in their restoration following the established practices, with limited powers and authority and only for definite periods of time, would bring about many benefits and the best results.

Notwithstanding the sound judgment made by the Court of Manila (despite what their antagonists might say) with regard to the promotion of ministers or the revocation of their appointments, promotions given when they are due and to ranks or levels they merit, there is also the Law of the Indies that can serve as a basis for these. This law should be taken as a principle, a law that is understood by all, and provides for the need of rewarding judges and of breaking close ties with friends and others in places where they have been residents for many years. Such relationships are prejudicial to the proper administration of justice. Closeness to influential government officials in Manila is almost inevitable where the Spanish population is so limited.<sup>1</sup> The lack of any kind of public recreation, the enervating climate, the customs and allure of the country all tend to make for a happy-go-lucky or carefree life. The fortitude, the rectitude, and the strength of the European customs give way after a few years of residence in the Islands. For the Philippines is a place where too much mental work done for too long a time cannot be withstood. It is a place of pleasure and idleness due to its mild weather, which produces lax customs and weakens the spirit or will. This is most harmful for those whose passions usually run high, the youth. But, back to the task at hand though what has been said is not really irrelevant.

The Court of Manila has always tried to give impetus to the administration of justice throughout the Islands, and which has been more or less effective. The results have always fallen short of what they should be due to natural barriers it cannot overcome despite its authority. This will be included in the third paragraph about the mayors and magistrates (*alcaldes mayores* and *corregidores*). Let us deal with the barriers that can be overcome.

The unfitness of subaltern officers whose positions are marketable and transferable is a great obstacle to the effective administration of justice. The clerks of the high court, the secretaries of delegate judges, and attorneys or solicitors do nothing except to try to get the most they can out of their jobs. These positions are very limited and pay very little. Inasmuch as many of the prominent

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<sup>1</sup>Although since 1820 and later, the Spanish population had increased considerably compared to what it had been before, still it had not reached the expected number. Creating employment and sending employees to the Islands did not mean the creation of landowners or the increase of this group; their agricultural and industrial produce did not contribute to the development of the country. Thus, for the purposes of this work, I make use of the phrase, "the limited Spanish population."

people in the Philippines have some kind of military affiliation, because of the extension of the judicial powers of the military over them, the military court has taken over all the important civil cases in the Islands. Only criminal cases and land disputes among the natives of little value go to the civil court. Since the implementation of the Code in the country, the only ones of some value it adjudicates are commercial cases. In general, they are few and not of much consequence. However, important cases do come up, though rarely. It is highly improbable that the educated Spaniards would work in these courts. Thus, with the appointment of unqualified personnel in them, delays and damages in the administration of justice result. There is great disorder in the court office, lack of books of account, registry, and statements or reports to the judge. Judgments or decisions have to be made by ministers.

The brief report cites without exaggeration the many difficulties that have to be overcome to improve the administration of justice. More explanations and details about some of the ideas mentioned, as well as other important obstacles that can easily be removed, will be cited.

It is beyond doubt that the administration of justice in the Philippines is extremely slow and cumbersome. However, the following considerations are for those who doubt this.

The Court of Manila has only one sala which adjudicates all kinds of second and third instance cases throughout the 31 provinces (now 32) of the Philippines. With a Regent (President of the Court), five ministers and two fiscals who are rarely paid in full, working under a system where the proceedings are pursued to their final determination, it is utterly impossible to give quick decisions to the cases handled by them. The judges also undertake difficult commissions altogether different from their ministry. This practice is another drawback of no little consequence to the prompt and proper administration of justice. Actually, the office of the assessor and the superintendency of public treasury is a full-time and not an ordinary job for a good lawyer or an educated person. Since 1829 to 1839, the Ministers of the Court, by Royal appointment, have been in charge of this office. This is in disregard of the Law of the Indies which decrees that *the judges be purely judges and should not serve any commissions other than those conferred upon them by their tribunal, etc.*<sup>2</sup> The office of the assessor of the superior government has also been held by a judge for many years. In 1837, the post was assigned to a particular lawyer. The Military and Naval courts were served for several years by a judge. With the arrival of a counselor or judge (to assist Military officers with his advice in law proceedings) appointed by

<sup>2</sup>Law 96; title 16, Bk. 2 of the Recompilation of the Indies.

the King in 1830, the Military court was taken over by him. But the Marine court, if I am not mistaken, is still under the same judge. It should be noted that these positions have big emoluments because of their honoraria. And some judges, therefore, in addition to their salaries, receive these honoraria. The Court of the Property of the Deceased and the Absent is an institution which could be preserved and modified. (Reasons for this will be included in a separate paragraph) Judges take turns, serving two years each in this court.<sup>3</sup> This court has important cases, and whether they be of great or little value, it is a fact that they are very much delayed and the course they follow is extremely slow because the law that decrees that one day a week be set aside for these cases is not observed.<sup>4</sup> The old superior court of the Royal Treasury (already abolished) was attended by the regent of the Court as councilor and, in his absence, by the senior judge or minister; the numerous cases which had to be given priority required much attention and time, especially since this kind of cases had to be handled with more caution and care as they involved a critical accountability of funds, and because in the decision of the lawyer or whoever was assigned to the job, the Minister of the Court intervened. Obviously, these cases were adjudged with the outmost prudence and circumspection. Actually, the contentious council of the Treasury is made up of three ministers under the Sub-Superintendent General of the Treasury.<sup>5</sup> The cases they handle, if not as numerous as those of the previous superior council, are just as important. The Court of Second Instance, which tries cases appealed to the Exchequer (*tribunal de cuentas*) is made up of three ministers and a fiscal of the Exchequer; it tries and decides cases which are voluminous and complicated because of their nature and the many points that they include. Thus, though they may not be serious cases, much time is needed in the course of their proceedings. Consultations are made with the Council of the Law ordinance, made up by the regent or most senior minister together with the civil fiscal and the Chief Accountant.

The Council of Auctions is also made up of ministers and the civil fiscal. This is also a tedious and heavy job. Annually, a judge takes charge of the Court of Confraternities. Another acts as adviser of the crusade; usually it is the dean who, together with the commissioner and civil fiscal, makes up the tribunal of the Bull. The judges receive little remuneration. Another is director of the Monte Pio (as pension to widows and orphans). Another, a protector or guardian; another is judge of Esclavitudes & Libertades;

<sup>3</sup> Law 1; title 2 of the Recop. of the Indies.

<sup>4</sup> Law 80, Title 15, Bk. 2 of the Recop. of the Indies.

<sup>5</sup> When I left the Philippines in 1837 this was the composition of the council.

I do not know whether it was changed later.

another, of hospitals and houses of retreat or shelter and expulsion of the married men to Spain<sup>6</sup> being separated from their wives; a law that has become obsolete just like many other good ones. Another is judge of registry (judicial records) and inferior judges. In all of these offices, much work is entailed for they have many cases and so, in all of them, everything is done at a slow pace and with great delay, especially those that are complicated and difficult.

The fiscals, in addition to their work, which is taxing and complicated (thus it is proverbial that no fiscal can remain at the job for five years if he does his job well), are saddled with what is called the protection of the natives and the Chinese. They have to defend their rights and privileges whenever they are abused by anyone in their business deals. They run to the fiscals for protection and bother them sometimes for no reason at all whenever they please, and keep them from doing important work. If the regent, five ministers and two fiscals of a courtroom are given many difficult commissions that require much time and work, in addition to their own regular duties, how can justice in any branch be administered promptly? This is impossible, unless this obstacle is removed with an iron hand. This, by itself, is enough to cause the carrying out of the judicial functions great delay. And there are other obstacles. One is a natural obstacle, which is rather serious, and can be surmounted only in part, but not completely, and not till after many years. More than half of the provinces are islands. Manila, the capital, is on the Island of Luzon or Nueva Castilla. Trips to this province are subject to monsoons on which depend the time and season of the year during which people can come and go to their ports. And even if the establishment of the Post Office all over the Islands as decreed in 1837 could be of some help to travel, it would be too little or almost nil and so, as long as the Islands are not financially able to have boats sailing throughout the archipelago,<sup>7</sup> this natural obstacle which results in delays can only be removed through a new plan or project of the offices of the mayors and judges and Special Magistrates. Such a plan will be discussed at the end of this work.

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<sup>6</sup>Law 1. Title 3, Bk. 7, Recop. of the Indies.

<sup>7</sup>At the end of this work, under Number 1 is published a document with certain observations which were used to explain the reforms that had been approved, which was to establish a new office of one branch at the expense and loss to the public treasury and of no benefit whatsoever to the people of Manila. Since abuses must always be checked and savings made, those observations were included in this work; together with 3 articles on the same matter published in the newspapers. The reader is given a basis to judge and decide for himself how the national interests were adversely affected by the Post Office of the Philippines. Those observations were never published because their authors (one of them the author of these memoirs) were persuaded that it would be a waste of time, for the change had already been approved. Besides there were other things which convinced them that whatever they did would be to no avail. The new office had been established extravagantly despite the low income of the office.

## III.

*H*aving pointed out the serious obstacles to the prompt and proper administration of justice in the Philippines in the Superior Court, or in the Courts of Second and Third Instance, those that beset the lower courts will now be taken up. Though distinct from those already cited, the obstacles are just as serious and merit the attention of the Government and the consideration of the legislative bodies that they might be removed. Before the special law for our provinces overseas is enacted, these six obstacles should be considered along with whatever else the Government has failed to do so, that the law might be perfectly prepared. All the obstacles should be removed so that those provinces can be on their way toward the complete regeneration of that very important branch, and derive from it all the best for the people.

It is more difficult to effect the prompt administration of justice in the lower courts of the provinces of the Philippines than in the Court of the territory. The shortage of judges in this higher court in itself contributes to great delay in their work. The provinces which are ruled by mayors and magistrates (the majority of whom belong to the military) are all principally dedicated to enriching themselves through commerce. In addition, they have to take charge of the collection of taxes, a function they take advantage of, using the funds for their business transactions. Thus, they hardly have time to devote to the administration of justice and generally limit their practice to signing legal documents. All judicial processes have to be done under the direction of an educated official. For this reason, the cases, litigations and processes have to be sent to Manila to be adjudged since there are no lawyers in the provinces, except two or three, and they have their offices very close to the City.

The proceedings in criminal cases start with what is called a summary. The *gobernadorcillo*<sup>1</sup> or mayor of the town where the crime was committed informs the magistrate about the judicial formalities and the declarations made by the criminals. The report is written in the native dialect because he does not know Spanish. In order to acquaint himself with the case, he orders a native who has a little knowledge of our language to translate the report and later the declarations too, with the same ignorance of judicial practices shown by the mayor. Is this the proper way to begin a lawsuit? Unfortunately, this is how it is done.

The magistrate sends an account of the proceedings in the lawsuit to a lawyer in the capital, that he might examine it and

<sup>1</sup>Those who do the work of our ordinary mayors are called *gobernadorcillos* there.

render his opinion on the judicial process to be followed. Often, many days, even weeks and months pass by before there is a boat or a passenger who can take the summary to the lawyer. This is highly irregular and usually, the testimony on everything remains in the court.

As there usually are many errors in the summary, it keeps going to and from the court to Manila and sometimes from Manila to the province, until the lawyer, the magistrate and the mayor finally come to an understanding after much effort and difficulty, and of course with the consequent delay due to the distance of the province. Meanwhile, many important processes are lost or become irreparable and useless because of the delay. And since the headway gained at the start of the investigation of criminal cases rarely is gained later, a well accomplished summary inquiry is seldom seen.

After many difficulties have been overcome, and finally the summary is declared sufficient to carry on a judicial process, the courts do not have any attorney general or lawyers for the defense capable of bringing an action or claim against a person before a judge and for each action or claim that the native lawyer at the first opportunity. Finally, to be rid of the matter, the time for the giving of the sentence having arrived, judgment is pronounced by the lawyer with the same delay that everything done, the sentence is published and the case is sent to the Court, here, upon the petition of the fiscal (ministerio), it usually is returned to the province for the correction of errors, and certain nullities with which justice cannot be given or in order to put in execution an important procedure that was omitted and which can still be of use.

After reading this brief account about how a criminal case is carried out, no one would doubt, I believe, how slowly and poorly justice is done. If anyone should doubt this, his doubts can easily be erased by the enumeration of cases of which I myself have been assessor in several provinces.

The civil lawsuits suffer the same setbacks as the criminal suits. For even if the litigants are represented by lawyers, provided with petitions or claims (I have made enough claims myself), who try to hasten and stop the captiousness of those who litigate in bad faith, they do not succeed. For those who act in bad faith have only to ask the judge that the case be passed on to an assessor whenever an opportunity presents itself and that is the end of it. The lawsuits in the Court of First Instance are endless for they are sent back and forth from the provinces to Manila repeatedly and many of them to be pronounced "NO HAY LUGAR," without any place or room for them, so they are docketed. The party who began all this knew from the outset that this would happen. However, in the process and in the duration, he gets his

opponent disgusted and vexed, - causing him a great deal of damage. And if he is in possession of whatever is under litigation, he goes on enjoying and reaping all the benefits from it. Again the delay and excessive expense involved in seeking and getting justice is evident here. And also, how easy it is for those who would hold on to whatever it is that rightfully belongs to another to make a mockery of justice. Justice is not served because of the natural obstacles already cited and because of the illiteracy of the mayors and magistrates. Giving these positions to those who are qualified and educated would put an end to all these ills and problems.

**IV.****THE MAYORS AND MAGISTRATES IN OTHER  
BRANCHES OF THE GOVERNMENT**

*T*he Mayors and Magistrates have to be considered in their role as heads of the provincial treasury in addition to what has been discussed so far, their being connected with the judicial branch. As this work aims only to point out things as they actually are, whatever follows, though they might seem to be exaggerations or monstrosities, are true.

In addition to their judicial functions, the mayors and magistrates in the Philippines are also in charge of the civil government and defense of their towns, like our political and military chiefs, and the collection and administration of the tributes or taxes paid by the Indios or natives, including the payments for stamps. Thus they collect, administer and distribute funds or perform the functions of employees of the Treasury. Anomalies will be discussed in the chapter on the treasury.

The administration of justice, of the civil government and of the Treasury - all this falls under the jurisdiction of the offices of the mayor and the magistrates. The mayors and magistrates do not receive any remuneration, promotion or reward from these offices. Thus they look only to their own selfish interests, amassing wealth while taking advantage of their positions and devoting most of their time to their own private business. These detract from their performing their principal jobs properly.

If they are appointed by the governor of Manila, they receive 25 pesos (fuertes) monthly; 50 pesos, if they have a royal appointment. They pay the public treasury a moderate amount or tax (*indulto* as it is called there) to be allowed to go into business. In other words, the judge, the political chief and intendant which the mayors or magistrates can be called, pay this license to do business. As soon as they get their appointment as mayors

or magistrates, they buy a boat for interisland or coastal trade, and some even for foreign trade, which they load with saleable goods in the province where they are assigned. Of course, they take care of their outlay and pick up products from the towns which offer or send them, and take the cargo to Manila. They concentrate all their attention on this; this business being their chief concern.

After having bought the boat, they get the funds for conducting business to pay the crew and for other incidental expenses from Manila at ordinary interest rates. These funds are later paid with money they collect, money which belongs to the public treasury, and they utilized it to carry on their business for the duration of their terms.

At the start, this system followed by the office of the mayor or magistrate benefitted the Islands. For lack of investors in these Islands, many agricultural and industrial products from the provinces would never have found a market and would still be unstable if the mayors had not used them for speculation in their business. It must be pointed out that there are provinces which, on account of their distance and little or no commercial value at all, had no other means of communication except through the boats of the mayors. In as much as the coastal trade has been established, that absurd and prejudicial system of mayor-magistrate businessmen should be stopped completely. Only those who are knowledgeable about legislation, about ideas of good government, about principles of justice and those who are prudent and educated are the ones who can administer justice promptly and properly in their districts. They should dedicate themselves to the politics of the Islands which, after 300 years of our dominion, have remained more or less unknown; to the diverse ways and means for the beautification of towns; and to the work of reforms for the advancement of agriculture and industry and progress in general in order to secure peace and order in the Islands. These should be done through more concrete and stable means than those that have been employed here, for the sake of justice and the enlightenment of those people.

## V.

### REFORMS IN THE BRANCH

It is imperative that great changes or reforms like the following similar ones be introduced in this important branch of government and have sound basis for the conservation and progress of these Islands as well as their national public security. This should be done with all the seriousness, maturity and prudence required

by such an important matter. The reforms should be made according to the circumstances, initially providing the courts of those provinces with educated and qualified officials and carrying out the suggestions in the following paragraphs and others that might be conducive to the good of this branch.

1) The superior court or territorial court composed of a regent, five ministers and two fiscals, with the addition of subaltern officials, be divided into two courtrooms, and take turns at doing the work. This is one of the most effective measures that can be adopted to guarantee individual property and liberty in consonance with constitutional law, which requires that different judges decide cases of all instances or legal processes.<sup>1</sup> It would be even better to provide that court with two courtrooms of four ministers each, the regent and two fiscals, so that the court might have jurisdiction over the greater territory with the least number of ministers assigned to it.

2) That the magistrates and fiscals of the court of Manila in accordance with the Laws of the Indies not be allowed to hold any other positions, or serve in any commission for any reason or cause; and in no case should they exercise any other function other than that required of their ministry.

3) That the mayors and magistrates of all the Islands be classified into: beginners (de entrada); juniors (de ascenso); and seniors (de termino), and that these positions be filled by educated and qualified royal appointees. The governor-general can appoint only ad interim officials to vacant positions through the recommendation of three members of the Court until the successor is appointed.

4) That these positions be filled in conformity with the Laws of the Indies, and that the requirements and formalities prescribed by them be followed<sup>2</sup> as well as others that could be substituted for those that should be abolished.

5) That these positions be for a term of six years, renewable for another three for those who have done their work to the satisfaction of the superior authorities and have given no cause for complaint. While they await transfer or promotion to better posts depending on their merits, aptitudes and behavior, they may stay at their jobs. Their seniority should be considered, where merit, aptitudes or behavior are all equal.

6) That an account be demanded of them at the end of six years or earlier should they give cause for complaint, at the in-

<sup>1</sup>Art. 264, title 5 of the Constitution of 1812; enacted by the law of Sept. 16, 1857.

<sup>2</sup>All through tit. 2, Bk. 3 of the Recop. of the Indies.

<sup>3</sup>Laws 16 & 20, tit. 2, Bk. 3 of the Recop. Of the Indies

stance of the attorney general.

7) That they should be properly compensated with a slight difference in the set salary scale, for they should receive the same compensation for doing the same kind of job. They should be prohibited from the following: a) all trade, traffic or commerce for gain or profit under the penalty which should be specified and be effective in their case; b) that they should not receive honoraria of any kind, for as they are paid to administer justice, they should have no other remuneration than their salary. They should bear in mind that through good and zealous service they can get the promotion due them. The removal of the so-called honoraria of those judges is the most significant reform, for it will lead to their being truly impartial judges, who will not permit the making of claims or demands that are unscheduled, or multiply useless procedures which are usually done to increase honoraria; that disbursements made by the litigants not be less than the damage to the judicial processes due to the waste of precious time.

8) That the meritorious services of the qualified, who have served their offices to the satisfaction of the government, be considered and that they be given priority in the court of the territory, under the set salary scale. Several Laws of the Indies that deal with promotions for services are applicable to what has been cited.<sup>3</sup> When that court will have been served by magistrates who have made their careers or worked in the provinces, their opinions and judgments cannot be other than just and in accordance with the laws of the Indies, the habits and customs of the natives, and with the well being of the country. For everything will be based on experience and practice acquired during those years of work, which are the best for the purpose.

9) That the scale of priorities be followed strictly and that the judges who are beginners be promoted to the next rank and these (de ascenso) juniors in turn, to the (de termino) senior group. If this plan is adopted once the offices of the mayorship are filled, those who wish to enter the service will be admitted to the courts of beginners and will have to go through the different steps before they can obtain the rank of magistrate in the Court.

10) To encourage the best qualified to apply for such positions, His Majesty's government should give the remuneration fit for the significant services to be rendered by these kind of judges. To make them go on such a long trip to that faraway beautiful country, His Majesty should provide a pension for his widows or orphans, in proportion to his salary, so that in the event he dies during the trip or just before reaching his destination, his wife and children will have some kind of security. This guarantee is the only way by which such a reform can be introduced and established soonest. This simple plan will bring about the best results in the administration of justice and happiness in those Islands.

11) The salaries of the three kinds of mayor and magistrates, while they should not be the same, should not have great disparity between them, for, basically, the nature of their work is the same, the only difference being the population of their districts. For this, each will receive a separate compensation, the same for all. Thus, the beginners will be able to live decently on a salary of 1200 pesos (*fuertes*); the junior judges on 1500 pesos, and the senior judges on 1800 pesos, without any other honoraria as was cited in Paragraph 7.

12) The additional compensation of the judges will be taken from  $\frac{1}{2}$  percent to at most 1 percent of the total collection of taxes. This amount and their salary together will surely affect the public treasury in any way. For added together, in most provinces, they do not amount to what is now received by the mayors and magistrates, who do not and cannot administer justice despite their good intentions, because of their ignorance of judicial practices and their involvement in business.

13) It is high time that those pernicious privileges of the natives who hinder progress because of their irrationality should be stopped. Whereas, at the beginning, they might have been good, at present, they are extremely harmful. Thus, for those countries, constitutional law should be comprehensive. All their inhabitants should be equal before this law; all of them subject to this law, which they should obey and comply with irrespective of caste or color, Spaniards and Europeans alike, whites and blacks, Chinese and mestizos, natives and mulattos. Whatever races are known to reside in the Islands should all depend upon one law, just as they depend on and are part of the same nation. The only exception is the military, which should have jurisdiction over those who commit delinquency, insubordination, and show a lack of discipline in the service. Outside of these, even the military should be tried for petty crimes or other cases just like any ordinary citizen. Any distinction made, or privilege shown, is nothing but an infringement of the general law and should not be given anyone for any cause or reason whatsoever under any circumstance. Any exemplary or extraordinary service rendered under critical moments, for advancement in science, or useful discoveries in agriculture, industry or navigation should be rewarded generously and lavishly but should never be rewarded with what would be an infringement of the law. And such rewards should be solely for the individual concerned and should cease upon his death. In short, only one law and only one authority to judge even the simplest crimes. This will pave the way for the prompt administration of justice. Simplify as much as possible those old judicial practices conducive to obscuring the truth rather than to finding it; and through this truth, realize the right of each one. The positions of

judges should be given to men who are knowledgeable, capable and honest. Do away with privileges and exemptions so that competition in jurisdiction in the courts will disappear; going through the proceedings of a case until its final determination should be done in the simplest, clearest and briefest way possible and thus bring about excellent results and considerable advantages to the proper and prompt administration of justice. Having accepted and proposed plan for reforms in its entirety, or another which could substitute for it, as long as it contains the profits and savings not found in the present plan. It is good to classify the government, mayorship or office of the magistrate in the Philippine Islands for practical purposes. Some provinces have military governors and it seems convenient to leave them as is, in order to reward previous meritorious services of old honest military men rendered in those Islands. The provinces are classified as follows:

Gobiernos militares

Cavite )  
Zamboaga ) para jefes  
Islas Marianas )

Islas Batanes ) para subalterno

Juzgados de ascenso

Laguna de Bay  
Tayabas  
Bulacan  
Batangas  
Capis  
Antique  
Zebu  
Caraga

Juzgados de entrada

Zambales  
Batangas  
Cagayan<sup>4</sup>  
Camarines Norte  
Nueva Ecija  
Mindoro  
Leyte  
Isla de Negros  
Calamianes

Juzgados de termino

Tondo<sup>5</sup>  
Pampanga  
Pangasinan  
Ilocos Sur  
Ilocos Norte  
Camarines Sur  
Albay  
Misamis  
Iloilo

<sup>4</sup>It seems this province has been divided into two lately but whether the government has approved this division is not known.

<sup>5</sup>This is the most complicated province because of its great extent and its dense population and as it is very close to the capital of the Island, all the fugitives of the provinces and dismissed servants or those who have escaped from their masters' house in Manila are found here. This is the province that has the most cases of criminality. It should be divided into two and it could easily and very well be done since the Pasig River actually cuts thru it. The educated judges take charge of the collection of the tributes of the Chinese. A collector should be appointed and should be paid a certain salary or a small percentage not more than 3 percent of the amount collected and without any allowances for office expenses or any other expenses, because his salary or 3 percent of his collection is enough to support his family decently, unless the amount of this collection has been reduced from what it was in 1836. The mayors of all the provinces would have to help him in the collection of taxes in the places under his jurisdiction in the event he does not do so.

## OBSERVATION

1) The collection of the tribute for tobacco should be taken away from the mayor of Cagayan. The government should assign an agent or collector with a fixed salary or with a commission, a percentage of the collection, for the present setup is dreadful. It is shameful that the mayor who doubles as tobacco collector should enjoy such excessive remuneration which, with the tobacco being sent to Spain, will increase even more. The last mayor received 12,000 duros or dollars yearly. This is an irregularity that requires immediate attention. Certainly it is a shame that an employee of such an inferior category should receive a salary equal to that of the governor-general of the Islands; or two times or even three times more than that received by the highest authorities of the Islands, like the intendent, regent, judges, chief accountant and minister of the public treasury of the Philippines, etc... For the proper administration and for economy in the expenses of public treasury, this change is needed. Something has been said about this change, however, whether there have been favorable results is not known.

2) The military government of the province of Cavite should be reduced to a totally military government and the deputy of justice, collector of the tribute should be educated as those in the rest of the provinces and should be classified as a "junior" (de ascenso) judge.

3) Appointments to vacancies in this military government as those to the Marianas Islands, Zamboanga and of the Batanes should be made by way of rewarding the meritorious services besides other good qualifications of those who had served the Islands at least 10 years, upon the proposal of the Governor General of the Philippines. These positions should be for life, except in cases where they should be separated for cause. In such a case, besides losing the job, salary and honors, they will be charged and tried according to law and, if found guilty, will be given due punishment. The Marianas and Zamboanga should be provided with a lawyer.

4) As the qualified judges are in charge of the collection of the tributes paid by the Indies, how they are to go about in performing this job and the guarantees expected of them should be provided for in a separate order or resolution. The accounting of the collections made annually should be simplified and be systematic. For the accounting made by mayors and magistrates at the end of their terms is harmful to the public treasury and to interested parties, as well as to the proper administration of justice. An annual accounting, a systematic and clean one, is the best way to safeguard the administration of the state funds. Should there be a better way, it should be adopted.

## VI.

## INHERITANCE COURT OF THE ESTATES OF THE DECEASED AND THEIR HEIRS

 In the discussion of the positions held by the ministers of the court, the Court of the Estates of the Deceased was not included. But before concluding this first part, it is best to take it up.

This court of utmost importance was established in accordance with a provision of the Laws of the Indies<sup>1</sup> and protected by many royal decrees. To maintain and perfect this court under set laws, their cases should be segregated from those of the ministers of the court and placed in the Court of First Instance under the jurisdiction of qualified and educated judges who will act in accordance with the law,<sup>2</sup> and under such restrictions and guarantees that shall be deemed necessary to keep them from taking advantage of their ministries and prevent them from touching a single *real* from those testamentaries for the sake of justice and public convenience. This Court should have a safe in the same place where the State funds are kept,<sup>(1)</sup> in which the judge deposits the remainder of the testamentaries. The office of the Treasurer takes charge of the ledger or account book,<sup>(2)</sup> where the income and expenses of the court are noted down. The contents of the safe or the safety deposit box are of considerable value, and much of the money has been deposited there for many years.

The government should adopt certain measures for the investment of those funds profitably. And in the case of certain closed or settled accounts, the money should circulate by giving them to the legitimate owners or if there are none, to the State. The offices of the Treasury of Manila should make a report on the funds contained in the safe, the date of the deposit, the testamentaries to which they belong, specifying the names of those who left them. All of these are the entries made in the book of accounts. The court should remit another report with the names of the persons who left those properties, the date of residence in the Islands and the designation they had upon their death; the town or province of their origin and other pertinent details which are to the lawyer's hand or in the archives.

All the information for the report would be easy to give based on the foregoing. These information should be given annually and published in the government gazette and other newspapers two or three times a year during different periods. This is the only way to find out whether there are legitimate heirs or not. And if there are, so they may be able to assert their right to the properties,

<sup>1</sup>Tit. 32, Bk. 2 of the Recop. of the Indies.

<sup>2</sup>Law 6, tit. 32, Bk. 2, Recop. of the Indies.

justify it in this court so they can be given their inheritance. If that money should get to Spain, it would go to the making of the fortune of many families and increase the wealth of the nation. This matter should be given consideration, more so because the funds in that safe are not of small value. For these funds to be left idle as they are now is like having them in the hands of avaricious persons, who bury them so they will not be stolen, but they neither enjoy them nor allow anyone else to do so. It is burying wealth that can produce but does not, because it is confined inside a safe.

After repeated announcements, should no one claim the inheritance, rules should be set in order to pass it on to the Treasury. No one stands to benefit from such funds that are abandoned, without an owner, and lying dead in the safe. A long period of time before its reversion to the treasury can be designated. The announcements can be made repeatedly for a long time so that the rightful owners can claim them. But these announcements should include a clause warning them that after a certain time, they stand to lose their claim and the funds will revert to the National Treasury. When such a time lapses and the Treasury takes over, this is the only way those funds without any known owners can become productive.

There are many such funds in the safe which have been there for a hundred years or more, some for a hundred and fifty, and to prevent them from remaining there uselessly due to the ignorance of the owners, measures such as those that have been cited should be adopted, or others, which would see to the circulation of those funds whether for the benefit of relatives or heirs, or whenever they cannot be found, for that of the State. This information has been given in this work that the people might be able to make use of it some way or another.

These are my observations on the judicial branch. Though lacking in elegance or style, there are important ideas included in this work for the improvement of the judicial branch. Better and more talented writers may be able to write on this matter in a much better way. But I am gratified to have been able to discuss these reforms and perhaps to move others to take interest in such an important matter and give it what it is due, so that, that absurd, irregular, anomalous system practiced in those courts may be changed wisely and properly for the happiness of the natives of our precious Philippine Islands. That they may have judges who do not look solely to their personal interests and increase of wealth but to the public welfare, judges known for their wisdom, honesty and aptitude in the proper administration of justice. This is the only way the people can achieve happiness and see in their judges, officials who want progress for their people and who work zealously for the preservation of peace and order based on justice, the origin of all the good on earth.



## **P A R T II**

## I.

## THE PUBLIC TREASURY

*T*is a fact that it is easy to change the administrative system of the Treasury to one that is concise and totally clear. In the Philippines, where the government has the means to update all its accounts, there should be no delayed accounts nor any outstanding debts of any kind. Through this new kind of system, the accounting system is made easy and brief and clear. Work is lessened, and so there is a considerable economy of manpower. For sometime now in the Philippines, it seems that nothing has been done except to make this branch more complicated: multiplying employees, increasing salaries unduly; proposing new plans each day which have resulted in nothing but depleting the public treasury and delaying the flow of business.<sup>1</sup>

## II.

## COLLECTION OF THE TREASURY

*C*ertain defects of collection in the Philippines can be corrected easily, bringing about good results and increasing the income of the treasury. In fact the collection of the taxes of the natives is reduced to the more or less strict charges of the accounts made by the ministries of the treasury from the mayors or magistrates who are in charge of such collections. These collections are computed by the very mayors themselves and later paid to the office of the treasury. These

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<sup>1</sup> When notes were taken and put together to be used for this work and other things, the prejudicial and damaging system of warrant of payment or drafts had been instituted. They were generally well received because they were neither frequent nor made for large amounts as they were later. In June 1841, according to what is written from Manila, there exist unpaid and unsatisfied warrants or drafts that total 1,700,000 pesos (fuertes) at 6% per annum. These exorbitant drafts must have been made at the end of 1839 or at the beginning of 1840. It would be good to publish when and how they were made, to be able to pin the blame on the parties who issued draft after draft without waiting for the first ones to be paid, and without knowing if there were funds available for their payment. Without saving the Metropolis from exigencies, they ruin and impoverish the treasures of Manila, overburdening them in a manner irregular and unthought of, resulting in increasing some fortunes at the expense of the public treasury.

computations as well as the accounting are based on the most outdated methods with slight modifications adopted now and then by the sub-superintendents of the public treasury, their variations depending on the concept or opinion of the author of the changes. The strictest of most moderate payments made by mayors and magistrates is a routine and badly done accounting of what they should collect; and later the accounting made by the treasury is that of their actual collection and what that collection should be. The Treasury is very strict with regard to the actual collection and demands that it be submitted. However, with regard to the total collection that should be made, the treasury acts from a case to case basis. Frequently, some mayors, are absolved from non-payment of what was not collected; while others are made to reimburse what they failed to collect because they are not adept at justifying the reason, for non-collection. None can authorize the writing off of the uncollected amount, except upon the death of the collector or upon his transfer from one province to another. Only under these circumstances should the collector be absolved; the rest are intrigue and fraud or deceit.

Such anomalies point out clearly how easily the mayor and magistrates can defraud the treasury (I did not say defraud; but that it can happen). Since the change that must be made to correct these irregularities is a simple one, it should be done. For the principal aim of collection is to make precise and exact collections. The collection should be placed under the best custody preventing the collector from hiding anything at all. It is a fact that the more secure the collection, the greater the care taken in its custody, the better will be the results derived from them. This has to do with the measly taxes of the natives and mestizos. The greater amount of those paid by the Chinese is the principal account of the mayors to which they focus all their attention in order to collect the account and also to obtain funds that they can use for their business, which is their principal concern. All the other duties called for by their positions are secondary and they do not comply with them strictly. The administration of justice, the cleanliness of the town, the urban police, the repair of streets and bridges and other public works are all regarded in general with little or no attention at all. They are always busy either collecting their accounts or acquiring funds for the purchase of goods to be sent to Manila in order to gain profit and increase their fortune, uncaring of the means used in acquiring this fortune. To all else, they pay little attention. Authorized to do business by law by paying the state a small amount for this privilege called, "license to do business," it is evident that they go about it making use of the funds of the public treasury which they collect and administer. They take advantage of their authority which most of the time they use to cause vexations and injustices. If

this were not so, it would be impossible for a mayor to accumulate so much money for a short period of time from three to six years of their term of office. The great defect of the collection stems from: the fact that these employees dedicated to their private business ignore their constituents, exercising their full authority over them to the prejudice of the natives and the national interests. By the way they are administered, it seems that the national interests are destined chiefly to be part of the possessions acquired by the mayors; if these speculations turn out well; and if it is otherwise, to cause irreparable loss to the treasury. Proofs of this are the papers piled up high in the chief court of accounts, paper of lawsuits against mayor and magistrates, some bankrupt, others with great back accounts on what they administered and all of them debtors to the treasury. Stop the mayors of the provinces from doing business and the public treasury will gain much and so will the people oppressed by their authority. Thus, these people will see their mayors farther looking to their welfare and happiness, dedicated exclusively to complying with their ministry, which, well served would give the natives all the happiness and abundance that they can enjoy if the system of justice is changed as has been cited in the first part on the administration of justice. The state in which the towns are, their population and growing wealth, all demand the much needed reforms to remove the obstacles that stand in the way of their development to the fullest.

To prove how urgent the need for the reforms is, it seems enough for everyone to be appointed mayor or magistrate, for him to feel he is already rich. And even in Spain, especially in the Court, word has gone around that it is enough to be a mayor of a province of the Philippines to enrich himself. This is a great exaggeration and actually there are many disillusionments. But it is also true that some, not many, who did not have anything, after administering a province for three or six years, have amassed great wealth. From this, it is evident how badly they fulfill the duties of their position, and how they administer justice to the people they are entrusted with, and how they manipulate public funds. In view of these, the supreme government of the Metropolis will consider the fundamentals brought to light, in order to introduce the reform which the principles of justice and circumstances require for such an important branch, the soonest possible.

But there is no rule without exception, no one who had been mayor or magistrate in a province of the Philippines can complain, because nothing is said specifically against the good mayor and magistrates. There have been such mayors and magistrates; there are, and there will be very good and hardworking ones. On the other hand, there were and will be extremely bad ones be-

cause men are not always what they should be for themselves and their fellowmen. But let us put aside this matter which has already been discussed. The mayors and magistrates collect and administer part of the national treasury. Let us discuss the employees, contributions and other revenues.

The author begs the indulgence of the reader for protesting as he does. It is not his intention to hurt in the least the character, concept and opinion of any employees in the offices of the Treasury. This increase (in employees) has been going on for the last twenty years and if it continues, very soon, the income of the Treasury will not be enough to cover salaries, pensions, retirements and other obligations that overburden and impoverish this office and the country too. Prompt attention should be given this matter and this practice stopped to avoid unfortunate consequences.

### III.

## EMPLOYEES

A comparison of the lists of employees in 1820 with those of the present shows that the number has doubled or even trebled without expediting and updating the work. The number of employees should be reduced to a minimum, to that which is absolutely necessary, and that "seedbed" of employees should be done away with. As pensioners receiving a salary of three hundred pesos annually, many have been sent there to await job placement. Actually they should be learning what are required of the job, instead of going to work in those Islands at imaginary jobs, causing a drain on the treasury, without being of any use to the office. Moreover, when a vacancy occurs, it is filled in the Peninsula, most often in disregard of rank, merit, and service and to the displeasure of the employees there and to the detriment of the service. It is only after sometime and much experience that the new recruits learn what they should know. I do not cite examples for that would be to deviate from my objectives and to hurt people which I do not intend to do.

While it is the prerogative of the government to fill jobs especially those of chiefs (given out of favor), it should consult the list of employees, evaluate the services of each and give the deserving ones the promotions due them based on merit, aptitudes and know how (if that government is to live up to its name of a just government). This is only one way by which employees can learn to emulate the best. The administration should estimate their relative qualities and give the most worthy of them what they

deserve. Thus the revenue will be well managed and directed, increase and realize its full potential. It is true that the Treasury of the Philippines is still in obscurity, that it is nascent and goes by extremely old routines, and is modified only by an increase in manpower.

The excessive number of employees which depletes the treasury has other harmful effects. The mass of idle employees found in all offices is not conducive to peace. For a vacancy that occurs, there are a hundred to choose from who are right there. This is a prejudice to the scale of priorities of the employees and the deserving children of the Spaniards, who should also be considered according to their aptitudes and merits and those of their parents, as principles of politics, convention and justice dictate. Lastly, if a good system is to be followed and economy is to be effected in the administration of the public treasury, especially during these times of scarcity and penury, when the State is overburdened, this cannot be possible while there is a daily increase of unnecessary employees and there are excessive aggregates or assistants in the offices who absorb large sums of money yearly for their salaries.

No pensions should be given in the Peninsula payable by the Treasury of the Philippines and those that have been given should be withdrawn. This reform has been implemented but not fully. It is good that pensions, retirements of those who had served and died in the Philippines are paid as they should be by their Treasury; however, if these persons should come to Spain, they should, in justice, bring their pensions though their equivalent upon exchange will be low because of the difference in the value of money. This might seem trivial but it is the first step toward effecting economy in that treasury, economy called for by the times, which will put an end to old abuses found in that office.

The increase of employees to the number needed is another basis for reforms and savings. The sacrifices made by the people in order to pay their taxes should be given due consideration. For to reduce whatever is paid these employees is to alleviate the burden of the people and contribute to the prosperity of the nation.

#### IV.

### THE TAXES

*T*he personal tax of the natives though very little cannot be increased in any way without giving the government problems because there are a great number of poor natives, who earn only enough for their subsistence and would be affected adversely by

such increase. Later, when more impetus shall have been given to the landed class, when there will have been a wider distribution of property, then the property tax could be increased. At present, much disparity in the payment of this tax depends upon the groups to which the laborers and handicraftsmen belong.

The payment of these taxes is usually done in cash or in kind or both. This has concomitant serious and harmful effects both on the quality and quantity received, on storage, as well as on the transportation expenses which include expenses for repair. A compensatory account of the offices of the Treasury of Manila regarding this kind of operations would have given tangible results and enabled them to decide on this matter. Anyway, it is necessary to proceed from the principle that when the government officials deal with goods of free trade, the government always stands to lose. The government agents are poor administrators who do not know arithmetic, nor the market prices, nor other conditions or circumstances that go with doing business.

It cannot be denied that the mayors in their provinces, as well as the *Cabezas de Barangay* of the towns who are in charge of collecting the taxes from the natives, had some way influenced the need to make a commutation of the payment of the tax from money to products in order to improve their business. However, this is not the sole reason for the introduction of this system of collection which has been harmful to everyone. The native is not so stupid nor so innocent that he will not sell his farm products to whomever pays a higher price than that paid by the customhouse, where his taxes are received in kind by the mayors and Cabezas. The chief reason that has made this commutation necessary, and almost indispensable, and which directly harms the native and also the public treasury, is the lack of colonial money or coins (of gold, silver or copper, coined for the purpose of trade), a situation peculiar only to the Philippines. All the other European colonies in Asia have this kind of money. The need for this money and the many advantages derived from its use will be taken up in another paragraph. Availability of this money would enhance internal trade, will facilitate the payment of taxes and will increase the other taxes indirectly established.

The indirect taxes on privileged goods in the Philippines are most in line with the nature of some inhabitants. Abundantly endowed with all they need for food because of their fertile soil, they make the superfluous enjoyment of life their chief concern. A good government, as a matter of policy, should foment and rectify the administration of these indirect taxes, especially those of tobacco and wine, because they are enough to cover all the expenditures of all the branches of the state. Besides, should there be war and all commerce stop, the government can depend upon these for its support and existence. The government should

not heed the suggestions and proposals of those who work for the abolition of monopoly in the Islands out of good or bad faith or ignorance.

It must be noted, that as long as the payment of these taxes is not exacted in all businesses carried on in the provinces and exemption from these taxes is not stopped, and necessary reforms for their better administration and advancement are adopted, the taxes paid to the Treasury will not be in proportion with the consumption of the large population of the Islands. The following deals with the tobacco tax in the Philippines.

## V.

### TOBACCO TAX

*T*he tobacco tax that supports the Islands, which cannot be substituted by that on any other product, should be properly established and administered to produce maximum income and profit. All of the inhabitants who number three and a half million, irrespective of sex or age, are consumers of tobacco. Each of them estimated at the lowest rates, smokes or consumes four pesos (fuertes) yearly. This would represent a contribution or tax payment of fourteen million *duros* or dollars which could come from the soil or from other industries and, at the same time, give a great impetus to commerce. This estimate is not an exaggeration. It is true that the use of tobacco is among the chief needs of the natives. The estimate of their consumption of tobacco would be equal to that of the consumption of bread or any other prime commodity in Spain.

Among all the kinds of tobacco cultivated in Asia and America, second only to that produced in Havana, the Philippine tobacco, because of its quality and taste, according to native and foreign smokers, ranks first. The high price of Manila tobacco is stable in the markets of India, China, Batavia, the Marianas Islands, Cape of Good Hope, and other points, above all, those from other places attest to its being the best. The high taxes charged by the majority of customs houses abroad also prove this. Because of its special quality, that plant has become a very important commercial commodity. However, the reasons that prevent tobacco from having the profits cited as a branch of revenue and as a branch of commerce will be given.

The imposition of this tax in some provinces and not in others, especially in some islands except the island of Luzon, has three grave results:

1) The lack of contribution or payment of taxes to the Treasury of the towns exempted from the "privileged goods" tax brings

about an inequality and unjust situation among the subjects of the same government.

2) The lack of consumption in provinces that pay tobacco taxes caused by the rampant smuggling in exempted provinces because of the easy sea transportation along the uninhabited coasts of the Island of Luzon where landings are easy.

3) The increase of expenses to prevent smuggling. These harmful effects are very evident. A little less than  $\frac{1}{2}$  of the population of the Philippines controls the monopoly and taxes paid are only  $\frac{1}{4}$  or  $\frac{1}{5}$  of what it should be.

It was proposed in the past to extend this monopoly to all the provinces of the Archipelago but it was not carried out because the authorities believed that the produce of various islands would not compensate for the expenses incurred in the administration and protection of the monopoly. But, this is erroneous. During the first year of the establishment of the monopoly, there is usually a lack of products. But this is only a temporary drawback which is overcome when the monopoly is regulated. The prohibition to plant tobacco freely in the islands, exempted and observed until the present, stops the practice of smuggling on the island of Luzon. This would double the consumption of tobacco in Luzon. This is an effective and really great and far-reaching advantage which should have been realized had it not been for estimates made haphazardly presenting savings which did not materialize.

Another harmful deterrent in the consumption of tobacco in the Philippines is the lack of intelligence, formality and impartiality in the appraisal of the leaf upon its receipt from the harvester by the customs office. The appraisal is extremely important for on it depend profits or losses which could amount to hundreds of thousands of pesos. This job is entrusted to private appraisers who are called "connoisseurs" and to employees who stay in the places where the crops are planted. Because of their close relationship to the harvester, they do as they please. With this kind of arrangement, frauds and briberies are inevitable.

In a place where the majority of the people are tobacco smokers, they know what the defects of tobacco are. They are dissuaded from buying the product, preferring to buy contraband tobacco which is always cheaper. That the appraisal of the product is wanting of impartiality and good faith rather than of intelligence is what people complain about. And so the abuses are corrected when the need arises, upon the receipt of the tobacco leaf. Each year, new employees from other areas are appointed. They are commissioned to go expressly from Manila to the provinces to take charge of the examination and receipt of the leaf. Through their intelligence and wisdom, they discover and do away with all the intrigues and cunning practiced and save the Treas-

ury from the payment of the salaries of three hundred pesos annually to the so called appraiser-apprentices. The job was created a few years back that they might, after learning the job, do the job when they are needed. But this measure fails to accomplish the end intended because these apprentices live with the harvesters, enter into a close relationship with them, and thus, frauds cannot be avoided.

Upon my departure from the Islands, tobacco as a branch of trade did not have any outlay nor protection. In India, China, Batavia and other places in Asia and America, tobacco is considered a luxury item and is consumed by only a few; and the quantity of tobacco imported by them is so small that the office of Manila has been able to supply it without prejudice to the consumption in the provinces; nor has there been any increase in their buying on account of this. Spain, the sole consumer of this commodity provides the Philippine Islands with the advantages or profits of a large branch of trade. It provides merchant shipping a favorable and lucrative employment, the Treasury and the nation considerable savings due to the bulk that is exported, and the consumers the satisfaction of improving the object of their fancy. I will never agree that a tobacco, mild, pure, and aromatic like that of the Philippines, known as such by all the nations that have enjoyed it, should cease to be preferred in Spain to the tobacco that comes from foreign lands which would find another market with great difficulty if nothing but the Manila tobacco is consumed.

For tobacco as for food, there is a peculiar national gusto or taste. The Chinese, the Malay prefer their own tobacco, each of them considering detestable that of others. In Spain, tobacco is not grown. The taste for it has been acquired through habit and necessity and so their taste for the tobacco can be improved and become more varied. It is a fact that Manila tobacco as a plant exceeds others of her class in quality. All disagreement could stem only from fancy or illusion.

All the Spanish markets and some nations of Europe, at the beginning, refused the consumption of Philippine sugar because of the novelty of its odor and grain. Later, when they discovered that its essential advantages are greater than its accidental qualities, they learned to like it and now it is widely consumed in Europe. At present, it is one of the products that contributes to the wealth of the Islands.

Tobacco grows in the Philippines everywhere, its production is unlimited, and it sells at prices much lower than those grown in other countries. Though navigation is long, the routes are well-known and favorable to commerce. Freight of tobacco does not exceed a peso per *arroba*, from the Philippines to this place. Thus, a great branch of trade between the Philippines and Spain has been naturally established. Precaution should be taken in the

packaging of the product for shipping. The tobacco leaf should be placed inside boxes and sealed with lead, as tea is transported from China, so that its aroma will not dissipate, nor its strength lessened as is the effect on Havana tobacco and others which are not properly packed before these are transported.

The following are the reforms most adequate for agriculture and commerce which the government should adopt.

1) That the tobacco monopoly be extended to all the provinces of the Philippines without any exception; the government making use of the persuasive means and leniency with which the conquest and acquisition of those islands were made. Never or rarely should force or authority be resorted to. All orders must be respected and obeyed.

2) That the examination and appraisal of the leaf brought by customs from the harvesters should be made by a council of employees of the capital who are most trustworthy and knowledgeable in this field be adopted annually. They should be assisted by the mayor of the province and everything should be done before the notary public if he is available. If he is not, a person should be elected for the purpose of recording and attesting to the proceedings of the meeting. Afterwards, all the tobacco rated useless should be burned before that same council. All of this, done in the manner described, will not only guarantee the proper employment of the interests of the revenue but will also prevent cunning or trickery that can prejudice this revenue. These prescribed formalities, necessary and proper, will give due importance to the proceedings and guarantee that which should rightfully go to the public funds.

3) That through freight contracts, as had been established, but definitely in Spanish boats, renewed annually, all the tobacco required for the consumption of the Peninsula should be brought accordingly; payments to be made with the money collected from branches of the Treasury remissible to Spain and the money left over annually from the treasuries of Manila. The system of payment by drafts should be abolished.

With this plan set, the profits that would accrue to the Nation annually from this branch would be considerable; this will be advantageous to the agriculture and commerce of the Philippines. With these profits, the Asiatic Spanish provinces could contribute to the public treasury, for the contributions we pay foreign countries for their Kentucky and Virginia tobacco would be stopped. It is unfortunate that we pay tribute to foreign lands for a commodity like tobacco, which we can supply the world with through our provinces overseas with a better quality of the product and at lower prices, too. And in spite of the fact that Providence and the Spanish valor have made us owners for three centuries of those

mines of tobacco, we continue paying tribute to foreign countries until now because we have not learned, or we have refused to get the fruit due from our own products.

Much more could be added to this, but what has been cited is sufficient to serve as a reminder of what we must do regarding tobacco. It would be superfluous to point out what everyone is familiar with.

## VI.

### THE WINE AND LIQUOR TAX

*T*he income of this product in the Philippines can never be of such import as that from tobacco. The native (sole consumers of wine that is stagnant) are very moderate drinkers for they have not learned the vice of drunkenness.

The wine from coconut and nipa, the only stagnant wines, are healthful for the natives. The monopoly has perfected the liquor and has moderated its strength, making it more pleasurable and healthful. Thus, the natives in general prefer the monopoly to freedom of this commodity.

The failure to increase this revenue stems principally from it not being produced throughout the Islands as it should be, in order to level the condition of the natives, destroy the contraband and prevent through this means the production of other drinks detrimental to their health like rum and whiskey from bamboo, honey or sugar, *mistela* (wine with sugar water and cinnamon) and other beverages that are not healthful.

This idea of extending the monopoly of wine throughout all the provinces might be cause for alarm for those who consider themselves experts in knowing the character of the natives. They see in each needed and useful reform never ending harmful effects which they perceive because they are ill-meaning. They use their influence, dedicate themselves and work to create obstacles and form resistance more out of vain fears than reason, for the purpose of hindering progress. To these weaklings (in answer to their visions) and as a strong point in my support of this belief, it will be enough to state not many years ago the wine monopoly was extended to the provinces of Camarines and Albay and this was established without any opposition. Its income increased with the added produce of these provinces which previously did not have monopoly. Sometime ago in other provinces, without force nor violence, nor any kind of oppression, monopolies were established. It will be very easy to introduce monopoly in the rest of the provinces that do not have it, and is the only way to increase this

revenue. Instead of increasing the revenue for the success of the monopoly sometime ago, excessive employees were assigned with new salaries, and with allowances for expenses which had never been given before and which actually should not have been given.

Not content with this, in 1839, the orientation and establishment of subaltern administration was approved and named "from the Casco de Manila" and had an administrator with an annual salary of P1000.00, a supervisor with P600.00. The system of this revenue from the outset had never needed such an administration or should have incurred those expenses. It could have remained as it is and succeeded without any increase of employees or salaries. I do not know exactly on what basis this office was created with new employees or how it was approved. But I doubt that it will mean an increase of revenue; rather an asset, it is a liability. The General Administrator, D. Pablo Fernandez Alonso served in that office for many years without the additional employees that it has now. He organized, perfected and elevated it and produced a large amount of revenue. This can easily be proven with an accounting of the financial state of the office and how he passed it on to his successor. The data that give proof of this can be found in the secretaryship of Treasury and will give the amount of the revenue before and now; the expenses before and now. It is easy to come up with the reform needed to make for a better administration and effect economy. The creation of offices and increase of employees except when needed should be stopped. Employees should be added only for new business transactions. If the wine tax is to be what it should be in some provinces where monopoly is welcomed but has as yet not been established, it should be introduced. Monopoly will not be opposed if it is introduced through prudent and persuasive means well known in the Philippines.

## VII.

### OFFICES OF THE TREASURY

**T**he offices of the Treasury, General Accounting of the Army, the Public Treasury, the first in the Islands; the Court of Accounts or Major Accounting, the general administration of the Army and General Superintendency subdelegates of the Public Treasury. Tobacco and wine taxes, customs, mail or posts and secretaryship of the superior government even if they should be discussed separately are brought together in this chapter because all of them have one defect in common that needs correction and that is: excessive employees in all of them. Hence, a clean up and the reduction of these to the precise number required will save the

treasury from the payment of superfluous salaries, pensions and taxes. The treasury should not pay these as it can function properly with 20 qualified employees. Why should the State maintain a hundred or two of them? This is the only reform required by these offices. Those who applied for and got the jobs are not to be blamed for this abuse. It is the government which knowing full well that 20 employees were enough appointed hundreds without any basis at all, which is against the expressed provision of the Law of the Indies<sup>1</sup> to the detriment and prejudice of that Treasury and resulted in the failure to administer the office properly.

What has been said in general about all these offices has been for the sole purpose of showing that they are over staffed. I must discuss even in passing some offices in particular which have irregularities that should be exposed and corrected.

In the Accounting and General Treasury of the Army and Public Treasury, the first offices established in the Islands, the Accountant and General Treasurer are both heads in charge of collection, administration and distribution. They also work together in the informative branch according to the most ancient instructions which at the outset or even years later could have been useful and good but which at present are defective and even harmful because the methods followed delays service and results in dissension and even scandal for both chiefs as I have witnessed. The separation of these offices is warranted and each should have its own building and should be assigned definite functions. This should be done immediately. It would be a waste of time to try and show how these offices operated. The government has precise and exact data regarding this. In the past, it had been planned to separate these two offices and they might actually be separated but I do not know for sure, and so I have brought it up here.

In the Court of Accounts or Major Accounting, accounts have not been updated, even with the increase of employees. I do not know when it will be done. While it is not the employees' fault but of the debtors of the treasury who manipulate payments through all kinds of cunning, accounts have to be updated. Actually there is a backlog that has not been touched. The delay in the payment of debts has been done through unusual transactions, with harmful effects on the Treasury. The Government must be made aware of this through the annual financial report made by the Chief Accountant which includes a statement of accounts unpaid, amounts collected and the balance unpaid.

There have always been unpaid accounts of considerable value

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<sup>1</sup>Auto 57, title 2, Bk. 2 Recop. of the Indies.

in Manila. I could cite many since I was an assessor of the Court for three years without any salary (such an important position which His Majesty did not see fit to approve). I have jotted down things pertinent to these. However, my objective is not to accuse anyone, but to expose abuses in general and to propose remedies. The treasury will lose more and more money as it has always done, and this is proven by the Royal letter of October 29, 1807 where His Majesty questions a number of things in the administration of the public treasury in the Philippines during that time. Many are the worst abuses that were exposed in this royal letter for the purpose of putting an end to them and improving the collection and administration of the revenue of the State.

The Captain General as governor has one female and another male secretary who could take charge of the offices of the Superintendency of the Public Treasury, instead of employing others whose salaries would deplete the public funds. The Captain-General can do the work of the sub-delegate General Superintendent as he has for many years proving that the centralization of all superior authority in the Chief of the Military is advantageous to those countries. It is a fact that the more divided authority is, the less potent it becomes, has less prestige and moral force. Consequently, as it is less powerful and is esteemed less, it becomes more exposed to disdain and disrespect and no matter how little these are, it mars the character of the highest officials of the land. This reform is effective because the savings that could be realized by these measures are quite significant.

In the discussion of tobacco and wine, the issue of superfluous employees came up. Regarding tobacco, nothing more can be added except that there is a need to increase the laboratories and warehouses to manufacture and preserve or store whatever can be produced, and ensure an abundant supply and assortment of tobacco not only for the Peninsula but also to fill orders for export to other foreign countries. Tobacco is a profitable article of trade. The production of tobacco provides work for many families and helps them earn a living; besides its being very lucrative to the National Treasury.

We refrain from discussing customs to avoid inexactitude. I would rather leave it to the parties concerned who are in the best position to introduce the reforms in this office. Manila businessmen have often complained about the delay and other damaging effects and the methods followed in carrying out their work. This office should be opened everyday without excepting feasts and holidays. The business sector should make representations and seek the removal of obstacles that beset them, and come up with adequate reform for their needs.

Lastly it should be noted that in all the offices there is an exorbitant number of native clerks, each paid from four to twelve

pesos monthly. These positions should be scrapped. Every employee knows that he is expected to do whatever is assigned him and write whatever is called for himself without the need of assistants. Only the heads should each have a clerk to copy his work correctly. But each desk should have a clerk and some even two; or, as in some offices, tables could be designated for general clerical work since six or even eight sit together or around a school table to do copying jobs. This is not only irritating but cumbersome and prejudicial on account of the salaries uselessly paid them. If these natives were to busy themselves doing what is more suited to their class, they could contribute to industry and agriculture, rendering useful services to the State instead of living the life of ease of those doing white collar jobs who do not have much work and are slaves of the measly pay that they get.

The writer and his assistant have made various observations to make manifest to the throne about the Post Office after finding out the approval of the changes to be undertaken in it and the construction of an office expensively despite its being a poor revenue earner. A copy of the observations cited are at the end of this work under Number One.

Lack of exact data prevents me from elaborating on this matter lest what I write may be interpreted as sinister and done in bad faith or from gross ignorance. In this precise case, even without having seen the papers for the approval of this grand office, I can venture to say that the simplest thing that could have been done is to build an office wherein its employees can work comfortably and well without burdening the Treasury. It is the government that should examine the new structure, see its defects and correct them in the most economical and proper way.

The offices of the Public Treasury of the Philippines do require a significant change to reduce its employees to the minimum needed and not to employ anyone for those Islands at present as the number of employees is superfluous. Economy should be given more attention and should be practiced. The harmful system of drafts should be abolished; and in lieu of this system used to bring money to the Peninsula, ships should be built. The Islands produce a great deal of the highest grade of construction materials found in Manila. After all the employees in excess have been properly placed, all vacancies should be filled on the basis of merit, aptitude and seniority of services of these employees in those Islands. The sons of the Spaniards should be considered in the priority lists for jobs.<sup>2</sup> Their parents had died after many years of service in the Islands, leaving a good name, but their families in

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<sup>2</sup>Laws 14, 16 & 36, Tit. 2, Bk. 3 & 66, Tit. 3, Bk. 3 of the Recop. of the Indies.

a more or less state of indigence. Lastly, the revenues from tobacco and wine should occupy a place of preference so that the most profit may be derived from them. They should be given all possible opportunities for growth and expansion to add to the revenues of the Public Treasury, to contribute to the wealth of the country.

## VIII.

### WAREHOUSE OF PROVISIONS, SMALL BOATS OF THE MINISTRY; THE MILITARY HOSPITALS AND THE ROYAL DRUGSTORE:

*C*he warehouses for general provisions, most useful when they were first built, are nothing but a burden to the Treasury and a barrier toward the growth of the common wealth of the people. In charge of these are warehousekeepers who are under the Accountant and General Treasurer of the Public Treasury.

These warehouses have outlived their usefulness and should be abolished. Under the present circumstances (which may be proved) they are not of any use to the Public Treasury and their abolition would represent savings for the government.

With the establishment of the system of private contracts for bidding of essential goods and also for that of less essential ones, the objective to obtain provisions of whatever are necessary can be attained without need for storage expenses and without having to suffer losses for their deterioration. There is no cause to fear that there will be a lack of the best bidders to supply the government with goods for its operation or goods for storage. If the agriculture and industry of the Islands are not flourishing as they should, they have progressed much, and Manila and suburbs have enough capitalists for this purpose.

Through this means, capital will flow and the Treasury will have more savings and the Islands greater prosperity. The quality of the goods for storage will improve and the consumers will benefit from this. The treasury will save not only storage expenses but also the cost to transport the goods that the Treasury itself buys from the provinces (where it is harvested), where the rice is collected for the warehouses. Certain irregularities committed there would cease, and the natives would have the perfect freedom to sell their harvests at their convenience. For, often they are obliged to sell them against their will on the pretext that they are for storage, at the buyer's price and measurements. Only some of these measurements are standard.

The closure of such warehouses is warranted because one of

its benefits will be elimination of certain existent abuses, and even frauds that are committed. This saves the Public Treasury of losses on the stored goods either through the malversation of the warehousemen or through their abandonment or carelessness which results in the total loss or in part of the stored articles.

Not of less urgency is the abolition of the small boats of the ministry which spend from three to four thousand dollars and are useless to the Treasury. This issue was resolved in 1839 (I do not know for sure), however, we cite the superfluous expense incurred by these boats in the event the proper remedy has not been made.

The military hospital and the so called royal pharmacy are two entities that can be considered a well exploited mine or a lucrative business which never suffers any loss. They are like the warehouses under the ministers of Public Treasury, the Treasurer and the Accountant. The military hospital has a comptroller, an administrator, three physician-surgeons, a host of practitioners and helpers, servants from butlers down to the last servant. It has a pharmacy which is the principal part of the mine.

The wards of the sick (I have heard sometime ago) cost the State from 28 to 30 reales V.M. each. The Cavite hospital is located very close to Manila and there the sick enjoy the same cleanliness, medical assistance and the best treatment as those of Manila. But by contrast, each ward only costs the State 2/3 of the Cavite wards or 10 reales V.M. Why this difference? This is known to those who manage the hospital. I do, too. But this is neither the time nor place to discuss it.

It (hospital) should be placed at public auction for a period of time not exceeding five nor less than three years. If it were feasible to return it to the original plan of the building when the Public Treasury took over, it would be more economical and beneficial for the sick.

Whichever way it is set up would bring good results for the National Treasury, and more so because the logical consequence would be the disappearance of the Royal Pharmacy which would spare the Accounting office of the accounts of the pharmacy: These accounts are impossible to adjust, much less fix, in order to ascertain which are the legitimate income and disbursements. If the pharmacist alleges that a number of medicines was sold to the public, another quantity used up by the hospital, such a number was damaged, had expired, and become useless or lost completely, who can determine if these are true? Even if anyone did know it was true, who could censure him? The many doors to the commission of fraud opened to the druggist would enable him to acquire whatever he wants. No one can know exactly what he does of all these. And if the druggist should speculate and buy medicines on his own (under the name of a third person), medi-

cines which he knows will be bought by the hospital, he can act as assessor. Nothing can prevent him from doing what he wishes and selling his drugs at his own prices. Many are the anomalies of this pharmacy that affect the treasury adversely. The pharmacy should be abolished. Although it could have been useful when it was first set up, the way it is run now is damaging to the Treasury.

If before, there was no other drugstore in Manila except that of the hospitals and those established by the regular clergy in their convents (disappeared years ago), now there are five more. The drugstore of the convent hospital of San Juan de Dios is ruled by the necessary legal requirements. Five exist and all of them sell medicines and enrich themselves extraordinarily. If that of the military hospital were open to the public, like the others, from its gain they would be able to get enough money to pay for the salaries of all its employees and provide medicines for home consumption. Being closed to the public it is deprived of this profit.

In spite of this, there are people who bear letters through which they get medicines from the drugstore. The letter is an order given by the Accountant or the Treasurer of the Treasury to the pharmacist to give the prescriptions the bearer asks for. The cost of these usually takes a number of years to collect. The druggist passes these prescriptions or their accounts for approval of the hospital accountant and then they go to the principal offices of the treasury and the ministers commission a trusted employee to convert the prescriptions into cash. All anomalies, all injustices and all routine abuses and despotism must be done away with and justice strictly meted out.

## IX.

### THE PROVISIONAL MONEY IN THE PHILIPPINES

*T*he Spanish peso is the universal money for commercial purposes among all the nations of Asia and as the exterior draft it attracts circulation. The governments of all the colonies from that part of the world have been obliged to create a colonial coin, the intrinsic value of which cannot be extracted. This coin is used in internal trade in the Islands and so exchange is nourished and multiplied.

In the Philippines the need to adopt that measure did not arise while the trade with Nueva España or Mexico lasted because then these Islands received a million or more Mexican pesos, and the (situado) allowance of 250 upon certain goods. Besides this, the trade carried on at that time on natural and industrial products of the country was almost insignificant. If until now enough

money circulates in the Philippines to divert the exterior traffic, this comes from the profits that the Islands have made from the trade with all the nations of Europe, with the balance of trade in their favor. This money is greater than the losses of money incurred in the trade with India and China. The admission of the pesos of all the republics of America, after being recoined in the Philippines, has been used there profitably.

However, this situation is very precarious because in the event a war breaks out, or there is a change in commerce in certain European countries, or in case of scarcity of harvests in the Philippines, the foreign inflow of money to the Philippines might be stopped or decreased. Having to make frequent remittances of money to China and India whenever they need some goods for their consumption, the time will come when all the money will be exhausted. Then, not only foreign trade would be ruined but also internal trade because of the serious difficulties that would arise there with the establishment of public credit. Besides, to give impetus to agriculture and industry in those Islands there should be many millions of pesos in circulation in the provinces. Such circulation would cause a big return of capital to be made to the interior of the provinces, and this cannot be practiced in a country in which the money necessary for the maintenance of the government and internal circulation hardly circulates. The Islands began to advance in commerce before its agriculture and industry were stable. Advancement of agriculture and industry should have preceded that of commerce because without agriculture everything is precarious and miserable, as a contemporary writer says: "agriculture is the wealth of the empires and no matter how powerful and magnificent his kingdom is, if it does not reap the fruit of agriculture, despite all its power, it has nothing but proud indigence."

In all the provinces of the Islands, very little money circulates; and in some, not even what is necessary for the natives to be able to pay their taxes to the government. From this has come the necessity to commute the payment of the tax from cash to kind. Reports have had to be made by the mayors for their own record either written or oral because of practice. Many of the natives trade among themselves through simple barter. The meztizos make them pay dearly with their fruits for the money which they need to buy clothes and to pay for their taxes. It cannot be expected, therefore, that there will be advancements in agriculture or in industry. There can be no expansion and progress of the monopolies without the creation of colonial money within the very provinces of the Philippines. This money will be free from the precarious destiny of foreign trade and give the native the profits commensurate to his work. Having this money in his town can bring about contentment. Through its use he can obtain the

necessities of life. Earning money can serve as an encouragement for indulging in extravagance which to a certain point should be inculcated in the native as an impetus to make him work.

Finally, the creation of provisional money for the Philippines will result in the benefit of stopping the excessive extraction of the Spanish peso that the Chinese do for nothing except its intrinsic value. This Spanish peso will increase and keep its level in the rest of the markets in Asia. This increase will lead Chinese to prefer the export of natural products of the Philippines in exchange for goods that they import in their boats. China has carried to extremes the restrictive measures on the extraction of the Spanish peso, marking those that enter their country, disfiguring them till they are beyond recognition and can no longer be used for foreign exchange.

Nevertheless, some pesos do return and to rehabilitate them for circulation they are recoined like the peso of the Republics of America. They circulate in the markets of the capital and of the provinces and are admitted in the coffers of the State.

It is not known until now whether there are silver mines in the Philippines. It is a fact however, that gold of very inferior quality abounds but it is so mixed with silver that it hardly has more value than silver itself. This circumstance adds to the introduction of some coins of half a dollar for reales and silver halfs (fuertes) which circulate in the Islands. Much of the old silver found in furniture are sold there at very low prices because it had come from China and had been adulterated. These materials will make it easy for the government to create colonial money there without incurring too much expense. There will be no need for any advanced payment of any to be made. By just making use of their material in gold or silver, the government can restore value for their owners in the money they coin for them at a minimal expense. The gold that the natives get from mines should be accepted by the government as payment for taxes at the same prices that the Chinese extract them. To be able to establish a mint house, professors and other professionals should be sent to Spain to learn how to coin money which is the basis of all progress in the Islands and profitable for the revenue.

The following are recommendations pertinent to money:

- 1) that a provisional coin be created for internal circulation in the provinces of the Philippines.
- 2) that for this purpose, a mint house (plant) be set up as economically as possible. It would be convenient that it be constructed through a private enterprise for a given period of time.
- 3) that the weight of this coin be the class adopted in the rest of the European colonies in Asia.

4) that its value be subdivided as much as possible, bearing in mind the needs of the internal traffic and the purpose for its creation.

5) that all species of gold and silver presented by private parties for coinage be admitted in the mint house; giving back to them the coins produced and charging them for the expense incurred.

6) that the government of the Philippines be authorized to receive as payment of taxes, the gold from the mines of the Philippines.

7) And lastly, that rules be made by the authorities which will prevent any kind of fraud.

This issue has been taken up before, and more than once. In Manila there are many who are conversant with the art of coining money and could contribute to the establishment of the mint house with advantages redounding to the good of the Country and the State.

## X.

### THE ECCLESIASTIC CHAPTER AND PARISH PRIESTS OF THE PHILIPPINE ISLANDS

Although this topic might seem extraneous to this work, it is not. The readers know that from the archbishop and three auxiliary bishops to the last parish priest, all of them have fixed salaries which they collect, just like any other government employee from the National Treasury. Thus, if their faculties, jurisdictions and attributes were to be discussed, perhaps this would not be the proper place to do so. But in as much as nothing will be mentioned in this regard, and they will be discussed merely as participants in the distribution of public funds, no other occasion would be more apropos to discuss this matter than here at the conclusion of the second part of the memoirs. This will be taken up in relation to the National Treasury for the purpose of the economy.

The only ecclesiastic chapter in the Philippines is found in Manila and consists of five dignitaries, three canonries, four prebends, chaplains, etc. What they received from the Galleon Trade was increased without cause nor justice when the Americas were emancipated on the pretext that the amount of the voucher received at the end of the Galleon Trade was lessened. The warrant was sold to merchants and so they received additional pay. These

endowments received by these prebends which are too much should be changed. The same loss was suffered by the perpetual regidores of the Senate House of Manila whose goods were bought by the gross and were neither paid their capital by the government nor compensated in any way for that loss.

The right of prebends was also enjoyed by the widows and orphans of the military and other needy persons, perhaps, their sole source of support. But they have not received any indemnification either. Neither have the governors and others also been entitled to this. Dignitaries who enjoy the grant (prebends) have fixed salaries, have the right to say Masses at a fee (libre intencion), receive help from the charitable institutions (Obras Pias). These are administered by the chapter and mitre, and their proceeds are distributed among their members. A country like the Philippines will never lack from those who pay to have Masses said for their intentions. To this fee is added the offerings given during the Mass which are not negligible. What they receive as proceeds from the charitable institutions is their source of income. Their income would very well be modified for the benefit of the Treasury with the reduction of their salaries to what they used to be. Thus the other beneficiaries of the Galleon Trade would not be discriminated against. So, the prebends granted this religious class should be reduced to what they were originally prior to the end of the Galleon Trade.

The parish priests, regulars and seculars alike, should receive from the Treasury equal endowments and a rule should be made fixing their stipends and allowances. The contributions received from Masses said, as well as those during these Masses, should be considered. Being exclusively dedicated to the spiritual service of the same ministry, they should be given equal compensation. In the provinces, they are paid either in cash or kind, or half in cash and half in kind, or one third in cash and two in kind, or vice versa. The quantity of the products varies very much. If this was done at the beginning, as it was, the priests should have taken interest and helped the natives improve their agriculture. At present, this practice has become harmful because the part in kind received by the priests is worth twice or more than they should get (even at the outset they did get much more than they should have) to the prejudice of the taxpayers and the Treasury. Many complaints have come up because of this. There have been repeated attempts to equalize and provide for a definite amount under a rule that would govern all provinces. Some changes have been made in some provinces, but not in all of them has the proper thing been done, and so the old abuses have prevailed. It is imperative that the amount paid by the State to the parish priests be uniform all over the Islands and that they should never be paid in kind. The natives should be free to sell their products

whenever and however they want to. Any other rule, besides being unjust, affects the Treasury adversely.

Nothing definite can be said about the increase or decrease of stipends or allowances without falling into serious error. The priests assigned to missions which aim to form new towns, attracting and Christianizing the native infidels who live in various parts of the country, receive very little remuneration and if it were not for financial help received from other religious and their friends and benefactors, they would find it difficult to live. Besides their religious duties, they have to dedicate much time preparing and cultivating a piece of land and planting rice for their daily food. They also have to hunt for deer and prepare salted meat from them (called *tapa* by the natives), so they can have meat in their diet. They have to go through many hardships which are not easy to overcome.

Priests of small towns also suffer many privations because they do not receive anything for or from masses said and so, like the missionaries, deserve special consideration with regard to their stipends. These could be increased by reducing what the priests from bigger towns receive or by just assigning them the collection of 2,000 tributes. This would mean more expenses for them as they would need one or two assistants. However, as they get much from masses and receive bigger allowances they would not be affected adversely. So these allowances can be reduced and the amount given to the poor priests and missionaries. This reform will equalize in the best way possible what the priests receive without depleting the Treasury. Being dedicated to such a high and important ministry, nothing would be more just than to give them the means by which they can live in decency and decorum fit for their position. The means by which the financial condition of the poor priests and missionaries can be improved has been pointed out. This should be implemented and should be changed only later when an increase of population demands it.

These are the reforms I recommend for the administration and distribution of the Public Treasury in the Philippines. (These ideas might be poorly written and incomplete. Brevity does not allow too many digressions, and the loss of important papers prevents me from adding more data). This work, I believe, includes important information on the value of the country and might influence the Government to take steps to implement reforms for the happiness of the people, for increase of revenue and for economy in the administration of the different branches of the government. The number of employees must be reduced for the sake of economy which should always be practiced especially during these times of scarcity and poverty of the State.

## **APPENDIX**

## CHARITABLE INSTITUTIONS OF THE PHILIPPINES OBRAS PIAS

These charitable institutions represent a great deal of capital. Some believe that they are insignificant and these people should be ignored who only aim to discredit these institutions. On the other hand, there are those who tend to exaggerate when speaking of these entities and they too should be treated in the same way. These institutions are small banks which give loans to businessmen on guarantees or with collaterals agreed upon by both parties. They are administered by members of corporations subject to rules and regulations that designate their obligations. All of them are but executors of the last will of those who left them their money as a legacy for them to use as they might deem profitable.

The charitable banks of Manila or foundations (funds left by private individuals) have a considerable amount of capital. Their funds which were meant for business were diverted to pensions and charges for public welfare and public worship; agriculture and industry derived great benefits from them. Thus, they deserve the attention of the government. Had the privileged and limited trade between Manila and Nueva España not been reduced to one purely for transport purposes, at the rate those banks were making money they could have converted that trade to a truly opulent one. Of the enormous profit, 300% was left in Acapulco by the Galleons, the greater part was for foreign businessmen from China and India, their goods making up practically all of the cargo of the Galleons. Another part went to these charitable banks and there were years when 50% was paid to them for amounts they had advanced. Manila businessmen, therefore, hardly derived any benefit from these profits, since millions of pesos were imported into the Philippines from Nueva España, and the minimal part went to these businessmen.

When these banks were established there existed only the trade with Acapulco, India and China. This actually involved only one negotiation. The greater bulk of the goods bought with the money of these banks from India and China was sold in Mexico. With the total stop of the trade with Mexico, the trade with China and India also ceased. Goods coming from India and China became limited only for home consumption. This business can be reestablished when the relations between Spain and the Republic of America are settled, either through the acknowledgment of their independence or through trade agreements. Even if it is reestablished this trade can never be as lucrative as it was before - the Galleon Trade can never be again what it was.

It must also be the policy of the government to protect those financing institutions, for in time of emergency, war or revolution, they can save the government (when collection of taxes can not be made) from financial strains.

## CONCLUSION

In what has been discussed, though not very thoroughly, the importance of the Philippines, its extent, wealth, and all the country has innately produced conducive to advancement or progress have been included. The anomalous set up of the judicial system, complicated and prejudicial, can easily be simplified.

The treasury cannot practice economy due to the unnecessary salaries paid to the exorbitant number of employees. At the rate this number increases, if it is not remedied at once and with an iron hand, that country will be reduced to being a state of employees and nothing more. There should be a radical change. The number of employees should be cut to a minimum. They should be encouraged to dedicate themselves to agriculture, industry and commerce instead, for the progress of these three will eventually mean success and happiness for the country and its people.

The Philippines, with its fertile soil without equal and with 3 ½ million inhabitants, has all the ingredients necessary for happiness and success. More than 300 years have passed since Legaspi planted in those isolated regions the flag of Christianity when those islands were conquered for Spain.<sup>1</sup>

It is time to consider its happiness and to remove the barriers for its attainment. And with unequivocal proofs, make the inhabitants see that we want success for them as much as we do for ourselves; that we want their well-being as we do ours. In return for their unquestionable loyalty, the motherland is looking to the improvement of her condition. This will be without prejudice to the reforms to be introduced and implemented which will show that the motherland will do all that is within her power to ensure the success of her provinces in the Philippines.

Lastly, exposing all the vices and defects in the administration of justice, as well as in that of the treasury of those islands, has been done to be able to give the remedies that will put an end to them. If happiness, peace and public tranquility are desired for

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<sup>1</sup>The Philippine Islands were discovered by Magellan in 1519 and the Miguel Lopez de Legaspi founded Manila in 1571 which became the capital in 1595. The diocese of the bishop was established in 1531.

those Islands, it must be remembered that it will take time<sup>2</sup> before the Cortes can take up the work to be presented by the government in order to formulate special laws for overseas. It would be best to ask our provinces for data that can serve as bases for the new resolutions that have to be formulated, discussed, and approved. The Philippines, as well as the Antilles have prominent men with talent as well as wealth. The most talented, honorable, and prominent citizens should be selected and grouped together, presided over by the Captain or Governor General in order to formulate and discuss the fundamental principles or bases of the reforms most adequate to safeguard public security and property and bring about such improvements relevant to the modern age, conducive to the full development and progress of the Islands.

This work can be done easily in this manner and supplement what the government should do by itself and help significantly in the quick enactment of those laws. Businessmen will speak for themselves with regard to what they need. The magistrates or judges will expose the vices and defects that afflict their office and recommend the means that can be employed for the prompt and proper administration of justice. The Treasury authorities should do likewise. The reverend archbishops and bishops, in behalf of all the clergy, should bring up the need of a spiritual pact and whatever

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<sup>2</sup>I don't think anything is ventured in what has been said. It is sure that if there will be a special law fit for our possessions overseas, it will take a long time before it can be done. Nevertheless, from what the provisional Regency of the kingdom said in manifesto to the inhabitants of the Spanish provinces for overseas on Nov. 17, 1840. In this manifesto, among other things, the following notable period is evident:

"Provided for in the Constitution of the monarchy that the provinces from overseas should be governed by special laws and it is not only time that this offer solemnly offered should be complied with but that it is also indispensable that these laws should be adapted to the enlightenment of the times, and respect the rights of the inhabitants to which they are entitled. The Regency proposes to comply with this duty. All the projects activated, which will improve all the branches of the public administration, the Regency will try to organize a good municipal system, provide teaching for all the classes, fix the tribunal and courts, facilitate internal and external communication, and employees will be chosen on the basis of their being worthy because of their capacity, honesty, and good qualifications. And in the choice of the authorities, they should be prepared to govern with rectitude and impartiality which such people identified for many reasons with those of the Peninsula and so deserving of their consideration and appreciation."

This interesting paragraph of that manifesto has been included in the conclusion of these memoirs because it assures by itself the indispensable and absolute need that the tribunals and courts (especially in the Philippines) go about more properly and regularly in their undertakings and if this is not to happen, it would have been better not to have discussed such necessities too well known and which require quick remedy in a general reform.

means should be adapted for their stability. How a better distribution and propagation of our faith can be accomplished should be studied. For the Philippines there remains much to be done along these lines. The municipal government should seek what they need most urgently and see to it that weights and measures are standardized by law. Here, in some places, weights, and measurements of Spain are used; in others, those of China, and still in others, special ones adapted by the country itself (as in the measurement of land). For the good public interest, proprietors should seek what they require for their stability and advancement.

Each one in his particular field should present the rationale behind his recommendations or resolutions. Thus, the government will be spared much work. With these reliable data on hand, there would be no need of speculation, nor any risk of falling into error. The provinces overseas with the help of the government would find the best way to achieve their success. For though that group of select men or council was chosen for the purpose, only proposals that will make for political regeneration and whatever are required by a country well on its way to enlightenment and complete development will be made.

All I can do now is ask my readers, especially my friends in the Philippines, to receive this token of my best wishes for the happiness and well being of our brothers overseas.

Valencia, December 30, 1841.



# **THE POST OFFICE**

## NUMBER ONE OBSERVATIONS CITED

*C*he measure adapted by the government for the establishment of a Post Office in Manila, changing its structure completely, is not new. This change has had adverse effects on the Treasury and the people and has not achieved anything good. The structure of that Office cannot be profitable in any way and this will be proven simply and clearly. The reasons to be given aim to show conclusively the disadvantages of the establishment of that new office that it might be seen in its true light, and that the structure and system followed by the present Post Office be continued, with only the most essential changes made. Should this be agreed upon, all those who concur on this case can be assured of the gratitude of the Filipino people, and whatever they do towards this end will not be in vain.

Before explaining the points to be taken up, a brief account of the state of the post office in the Philippines since it was created should be made. Its annual expenses should be given to show what the office was then, that it was a source of sure income to the Treasury, the amount depending on the availability of national boats (sole carriers of correspondence). From this account, a comparison of the old method that was followed and that decreed on Dec. 5, 1837 will show that the old one is better.

The Post Office in the Philippines was established in 1763, but was limited to inter-island mail carried in national boats. The Captain or Governor General was its ex-officio chief, being subsuperintendent General. The sole administrator was a person honest and trusted who received only 25% of all the money collected. Through this simple method it is evident that whenever there were no collections, neither were there any expenses incurred and for every hundred pesos collected, seventy five went to the Treasury.

The administrator of the Post Office of the Philippines submitted and made an accounting to the General Administration of Mexico. His appointment was approved by the General Office of Mexico on which the Post Office here was completely dependent. Orders and instructions, as well as royal decrees that came from the Peninsula, were all sent through Mexico. When the Americas were independent, the Manila Post Office began to deal directly with Madrid, and afterward, the administration in the Philippines was given an additional three hundred pesos for housing allowance and one hundred pesos for the payment of a clerk, which were the only expenses of the office. And if they wanted the income increased and guaranteed, all that was needed was to add a supervisor to be paid a certain percentage (of income) to make

for the greater security of the funds.

The postage of the letters has changed or varied during different periods but it always meant an increase of the revenue. At the end of the last century, the postage was a peso per ounce and two *reales* silver *fuertes* for each ordinary letter weighing less than half an ounce. Now the postage is twelve *reales platas fuertes* per ounce and four *reales* for each ordinary letter. But there is no need to elaborate on this. The postage is paid as it has been required lately and there is no complaint whatsoever. Summing up, the total yearly expenses of the office was 25% for administration, three hundred pesos for housing and one hundred for a clerk. These data should not be disregarded.

During the regime of Gov. Pascual Enrile, land communication throughout the Island of Luzon was established in 1883, the first line extending to the southern provinces through weekly mail. Leaving Manila on Wednesday at noon, it reached its destination Sunday morning going via Laguna, Batangas, Tayabas, Camarines and Albay until Naga, capital of Camarines Sur. From here, mail left Tuesday and gathering all the correspondence from the same provinces arrived Manila Thursday morning.

A great service was rendered thru the establishment of this communication; it also is a fact that the mail of these five provinces was and will be always of such little bulk and value that it need not be mentioned.

After much opposition, the line to the north through Bulacan, Pampanga, Pangasinan, Ilocos Sur, Ilocos Norte, and Cagayan was put up with which weekly communication was established in the whole Luzon. No postage was required for letters for the government was aware that from this internal mail nothing lucrative could be derived. The total correspondence was limited to a dozen business letters, the letters of the mayors and other employees to their chiefs and nothing more. Thus it is evident that for the purposes of this mail by land, there is no need for that new office because the income is not enough to defray all the expenses that its establishment requires.

These antecedents about the beginnings and progress of the post office of Manila show that neither for the internal nor for the inter-island mail was there a need for the new office which was a burden to the Treasury. To take care of the mail carried by land, the new office is not needed because its income cannot compensate for its expenses.

If an administrator is appointed with 35% and a supervisor with 20% allowances for house and office expenses, that general office will have to have a number of competent assistants and provincial treasurers and administrators, janitors, mailmen, etc. All these would mean only more expenses. Why should an office

that cannot generate funds for its maintenance want to create so many positions with fixed salaries? And with so little probability of increase in its income, there being no basis for such increase, is it not prudent, imperative, and proper that such personnel should not be appointed? Is the harm such a step will mean to the Treasury not real enough? It is a fact that on the basis of minimal income, the new office was established with fixed salaries for its employees, not in line with the economic administration of public funds. If changes had to be made in the Post Office of the Philippines, the best means should have been chosen and employed to effect these: everything should have been done in proportion to its income and should not have been detrimental to the national interests. However, these were not considered when the new office was established. Time will tell, if at this point in time, it has not yet been realized that a mistake had been committed with the structure of the Post Office and that it is detrimental to the public interests.

The approval of the new office was based on the supposition that new income would be generated by it. They counted on the taxes to be levied on mail arriving in the Philippines from foreign lands (irrespective of which country it was) which would have to be taken to the office straight from the boats. This is precisely where the harm to commerce comes in.

The practice of all postal administrators in the Philippines in handling letters from abroad carried on foreign boats to be taken to their office for the payment of postage was the same that had been done with mail coming in Spanish boats. There even was an administrator who charged double postage fees. But this is not the point. It is a fact that since the mail began coming into the Philippines regularly, all the administrators, at one time or another, charged such postage fees until the practice was revoked time and again. The reason for this was that it was detrimental to commerce, otherwise it would have been adopted permanently. There are many papers that bear this out and should be examined; one of them was a decree issued in Manila ordering that nothing should be charged in this regard and, later, at different times, this tax was restricted. In 1819, it was approved by that government, after the testimonies given by the fiscal and assessor and the consultative vote of the Superior Council of the Treasury that "The innovation that had been made to take the letters from abroad carried on foreign vessels upon arrival in the Islands to the Post Office be stopped and the old practice be restored to as decreed on August 16, 1797 and concurred into by Manila residents and councilors of the Consulate."

This decree was favored by His Majesty's fiscal and the assessor with the consultative vote of the Superior Council of the Treasury showing that not only was the payment of postage to the

Treasury of small value but was extremely prejudicial to commerce.

The report of the Manila Consulate of Feb. 5, 1833 shows "the serious difficulties brought about by the practice that would give rise to others affecting commerce; and the loss of the answers to correspondence received."

Lastly, a report made by the Manila government on July 17, 1834 showed that besides being detrimental to commerce, if foreign mail was taxed here then, ours would also be taxed in foreign countries as was cited in a case in the report.

If these observations, though simple, gathered from documents upon which no suspicion can be impugned, addressed to Spain containing the resolution of the authorities from the Philippines regarding the matter, they prove the ill effects on commerce and the inconveniences caused by changing such postage to give the Post Office some income, the only one it can count on to increase it. What should we abide by to avoid any kind of speculation and not to commit mistakes with regard to the revenue? What data could be most revealing and definite to serve as basis for the effective change of the Post Office that there might be an increase in its income or, at least, that it should be able to maintain the present one? Which would have more weight, the reasons coming from Manila based on actual knowledge of the country and on experience or those which have been conceived and proposed in theory in Madrid? Anyone who is impartial would favor the first.

For experience has always been said to be the teacher, the most important norm or rule, almost infallible toward making changes that would ensure success. While from mere theory has stemmed a great deal of damages, sometimes irreparable. If the documents had been consulted and all the reasons considered, the changes might have been made in another way in accordance with the needs of the office and without affecting it seriously and financially.

In conclusion, another observation should not be omitted here with just as much weight, which is that, if with the establishment of the new office a new charge on the tax is to be levied, this is not in conformity with the fundamental law for it has been done without the knowledge and approval of the Cortes, the only entity which can abolish existent taxes and create new ones depending on the needs of the state. When that was done, the Constitution was already in force.

In the Philippines, internal communication has never been systematic, much less, the foreign correspondence brought here in their own ships. The people of Manila sought for ways and means to establish and maintain their communication by themselves, communication among themselves within the country, as well as

with other people. And even if many times it was interrupted or delayed, it was carried on the best way possible. Afterwards, a regular weekly communication was established by the government there throughout the Island of Luzon. But this was done without any charge of any kind or any intention of making money and converting it into a lucrative business. The government knew how insignificant any kind of charge would be and so both lines of weekly mail were established without thought for gain with the help of all the authorities from the Captain General down to the last gobernadorcillo and mayor. On these mayors fell the full responsibility of doing the work of the administrators of the Treasury gathering, sending, and distributing the mail.

Everyone cooperated earnestly and disinterestedly for the purpose of establishing that weekly communication so useful and profitable in many ways to the government and to business. If that communication established so generously is now charged postage, income from which is insignificant, would it not result in unpleas- antness? Will it not make people think that the new office has been created for the purpose of collecting *taxes*? The word *taxes* alone is sufficient to produce such disgust which could disturb public peace. Selfish interests should be secondary to the main- tenance of public peace. So it can be concluded that such charge that was ordered and implemented, since it is against the national interests of the country and detrimental to business and to the inhabitants of those Islands, should be discontinued.

Those who allege that not knowing precisely the bases of those reforms and data in favor of the creation of that new Office, because reference was not made to the papers which decreed its approval, whatever lack of precision is committed in the obser- vations made should not be misconstrued as malicious, for these were only made for the purpose of contributing to the best solu- tion, to the most economical management of the office of such a small income and obtain for the commerce and people of the Philippines the alleviation from that tax imposed upon them. They learned about this matter from what they read in the newspapers about it, upon their arrival in Madrid,

The following are copies of the articles:

Observations from the *Eco del Comercio*, Dec. 26, 1837

A subscriber requests us to publish the following:

It is said, though secretly, that for the administration of the miserable revenue of the Post Office of the Philippines, a brand new, grand office has been created, and a basis has been formed which shows advantages or profits which time and future events will disprove for their having been purely imaginary. Favorites have been appointed, one with 35 rs. annual salary and 6 for housing allowance and the other with 20, in utter disregard of the

recent Royal decree issued to the Ministry of Government which requires the publication of vacant positions before filling them up.

There is no need to hide anything and it should be made known that since the middle of the last century that branch has been managed without detriment to the Treasury. Dear editors, I hope you clear up the point. If the most strict economy is to be observed in the management of the revenue of the State, appointments of personnel with fixed salaries to an office with scarcely any income is contradictory. And it is irritating to the system of that administration which even during better times had always operated on income which was only eventual and their administrators never did enjoy (and should not now enjoy) any salary other than a certain percentage of the collection.

If such are the profits that the appointed favorites expect to gain as promised results of the communications yet to be opened, under the same premise why does the administrator to be eliminated not get the same remuneration considering, in addition, that he should be given credit for his merits, and improvement of the office?

The rules for the administration of the mail of Manila were issued in 1762 under the principal administration of Mexico with some trouble, the same way its establishment in 1767 was accompanied with grave difficulties. At present the office is girded to distribute sometime in the year the letters received from the Peninsula, and previously from Nueva España carried by the Galleons from Acapulco, and by the Royal Company of the Philippines which went from or through the Cape of Good Hope.

At the end of the last century, from 1792 to 1797, the profits of the Post Office hardly reached 767 pesos fuertes. In the span of five years from 1827 to 1831, it reached 15,219 pesos fuertes 6 reales with expenses of 5,732 pesos fuertes 11 cuartos and a net income of 9,487 pesos fuertes. Fixed salaries of the new employees compared to the amount received by the old employees of 1,897 pesos fuertes, 4 reales and 2 3/5 cuartos have an annual difference of 852 pesos fuertes, 3 reales and 9 2/5 cuartos. Even if the amount of 760 pesos fuertes which could have corresponded to the actual share of the administrator is considered, which is 25% of the total collection, still the Post office would have a yearly deficit of 92 pesos fuertes, 3 reales, and 9 cuartos instead of 4 which was the profit under the old setup. If the information is correct, the present administrator would have remitted 12 duros or dollars to the office.

From 1767, the administrators tried to exact postage of letters carried on Spanish vessels and those of other countries from abroad. The people of Manila and the consulate complained to the Superior Government that, since the administration could not

send correspondence from Manila abroad, it should not charge postage for having the mail taken to the Post Office causing delays and other inconveniences. Not being able to send answers from here abroad, as the captains of foreign boats or ships could not be forced to carry them to ports of Spain, India, or China or wherever they are bound for, that measure is burdensome and illegal.

In view of what was exposed by the assessor and fiscal of His Majesty and the consultative vote of the Council of the Royal Treasury, the Superior Government ordered on April 24, 1819 that the new system be stopped without reimbursing the postage, as the people were not adamant in asking for such (people worthy of all consideration and esteem).

Having forgotten the cited antecedents and other considerations of policy, a royal decree was issued on March 18, 1832 regarding the matter and the Superior Government of the Islands answered on July 17, 1834. "The requirements of the law follow and what His Majesty orders will be complied with." However, the matter needs further consideration for charging postage on foreign trade. The foreigners could likewise charge us the same thing as it happened recently in the city of Macao, China with the mail carried on Spanish ships, which was charged 6% before and now 14% claiming that we have charged a general tariff for all the countries, and so the Portuguese are charged 2% over what they paid.

Not much postage will be paid in the Island of Luzon because all the towns are inhabited by natives who don't write at all, the mestizos a little. And so correspondence is limited to that of the parish priests, one or two Spaniards who are in the provinces, and to official mail.

From the *Eco del Comercio*, Friday, Dec. 27, 1837:

Dear Sirs:

I am sure that the General Post Office will not be pleased with the article by a subscriber which appeared in your paper the 26th of this month, signed with only an "A". He did not dare sign his real name fearful, undoubtedly, that his ulterior motives would be discovered rather than his alleged interest in the State. If he gives his real name, I will do likewise. I shall answer him as an employee of the Office not for his satisfaction but for that of the general public. This is to prevent the public from having the wrong ideas about the new organization of the principal Post Office of the Philippines. The premises of the author being false, his conclusions cannot be valid. He starts by giving the assurance that even if secretly it is said that a grand office has been created and a pompous law has been enacted for that purpose, words which

must have piqued the public curiosity and which I propose to refute with reliable data. The secrecy that he alleges has been seen in the go signal given by the administration to the office is a supposition without basis because the government has complied with the requirements of the law and publicity, as it has always been wont to do, and without doing away with the attributes, which though limited to a certain point by the Royal Decree of September 22 of this year were reintegrated in full in another decree dated November 6 where H.M., convinced of the impossible application of the first order, abolished it completely.

Thus authorized and spurred by the need to create the Post Office of the Philippines for the good of public service and for the interests of the Treasury, last October 12, the Administrator made representations to H.M. Since from its creation the office had been dependent upon Mexico and it was no longer so, it could not function as it had before. It could not be run by an administrator, especially as that time he was an employee of the office of the General Captainship of the Islands. The Administration did it, motivated additionally by the causes which urgently confirmed the proposed measures of the Administration for the reform of the new organization. Precisely at that time these measures were dispatched to Manila in advance by H. M. as a consequence of the Royal decree of March 18, 1832 on the payment of postage of foreign mail. This decree included the opinions of those sent by our Government to France and England. But the decree was implemented. The tribunal of the Consulate upon completing the report asked by the Captain-General said that to comply with the decree, it would be necessary for the Post Office to be constituted differently, that its offices have to be systematized, and its operations supervised, that its location has to be appropriate for doing mail service, and that it should not be under the charge of a government employee. Surely such recommendation like these should be considered favorably and acted upon to remedy the ills cited. Even if the government had wanted to keep the actual administrator (in whom your subscriber is obviously interested) his dismissal was precisely what had to be decided upon urgently because he had violated the secrecy of the mail and his continuance in the office would be prejudicial to the public service. Besides he was an employee who fell directly under the chiefs of the Office and should not have held the position. It was against the law in force which prohibited a person from holding two jobs of the State simultaneously. In order to act upon the advice given to H.M. in council, by the Royal decree of October 17, he submitted this advice to be examined by the council of reforms of the branch made up of the members most noted for their position and integrity and after a lengthy discussion adopted the proposal. They consulted H.M. again with regard to this proposal and on the 5th of the present month it was approved by him. The office was not

established as a result of the law or decree. This law was formed based on data which were gathered and examined. The office is not a large office for it consists of the administrator, supervisor and custodian, most limited personnel of any subaltern of the kingdom. Favorites were not appointed. The administrator had previously been in Manila, had been chief of one of the principal administrations of the kingdom (and even had won general approval). He was an officer of the government, esteemed for his devotion to his work, knowledge and honesty. The new supervisor was of great prominence, had been vice-director of the astronomic observatory, and was the son of the director general of lotteries, noted for his service and abnegation; both administrator and supervisor were patriotic and qualified for their jobs.

I do not care to comment on the story presented by your subscriber regarding the office of Manila nor on the increase of its income during the last years as a result of the added trade relations with the Metropolis. The Manila trade will always be in proportion to the trade of the Metropolis. I will not say anything about the remittance of funds by the administrator nor about other remittances that he could have made if he had managed the office right. I would not have commented on the comparative results that he makes but after seeing the figures he presented I have decided to cite those of the office from 1832 to 1836 inclusive, which are as follows:

Income for one-half year .....	P 118,733.00
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#### EXPENSES.

##### Administrator's Salary

25 for 100 .....	P 29,683.08)
Clerk's salary .....	1,440.00)
Building rental .....	6,000.00) 37,698.32
Office expenses .....	575.24) _____
Net Income of Post Office .....	<u>P 81,034.2</u>

The above shows sufficiently the great difference between the accounting of your subscriber and this which is based on special data. The Post Office has worked with the seal and effectiveness that has distinguished it, that it seeks the best for the communications of the Philippine Islands, cognizant of the glory and work that have occasioned it, and that the choice of employees has been done through merit and not through favoritism. I have nothing more to add except to request you, Mr. Editor, to please publish this in your respectable newspaper, a favor I shall be grateful for.

(From the newspaper *El Patriota*, Thursday, June 18, 1838)  
the following article is copied;

## REMITTED

The Editors, *El Patriota*; to the editor of the *Eco del Comercio* I address the following article. I have read with great satisfaction in your respectable and valuable newspaper of the 29th of last month, how ingeniously the Post Office employee tried, although to no avail, to defend its new setup. He ridiculed the foresight of this author in his observation (an argument that cannot be refuted) that the Post Office with its merged income cannot afford to pay employees fixed salaries.

Of no interest to the public would be whether or not the author of the censured observations was as he calls himself "A" or disguised, "MM" whom he really is. It is just as immaterial that the one who censures is an official of the Post Office or the concerned person himself. What is important is that the question should be brought to light to find out whether or not it was right to say that time would prove imaginary the profits which are made use of to deceive, or, if the new office will be more economical, less burdensome and more profitable than the old one.

With this idea as a point of reference, we shall disregard the merits of the appointees and the virtues of the father of one of them because they have no bearing on the case at hand. Of no importance is what the other had been able to acquire through his speculations in business or in his travels to the Philippines. This information is given by the Post Office employee which seems to put aside the merits that really count. He has resorted to this to be able to get away with allusions, made irrelevant by the censured observations. He has ignored that the highest authority of the Islands is the Superintendent of Posts and in his dual role gives orders which should be obeyed by administrators of the office whether or not they are or were employees of the Secretaryship of the government. If through the confession of the employee himself, it turns out that the income of that office had profits in 1832 to 1836, then this is in favor of the old setup and of the effectiveness of commissioning an official of the Secretaryship of the government as administrator duly elected in accordance with the law and with the approval of the government assessor, the Attorney General, now worthy representative to the Spanish Cortes, and by virtue of the Royal confirmation of which no further reference is made because of certain considerations of reserve, prudence and policy which the censor could not possibly have known.

Comparing the 29,683 *reales vellon* that the employee of the Post Office assigns as salary of the commisioned administrator during those years with the 55,000 fixed salary that the new employees will enjoy, there is a difference of 23,317 *reales vellon* yearly or a deduction in the national income of the Post Office instead of having savings and profits. This being so, I leave to the impartial consideration of the employee of the Post Office himself whether or not salaries and expenses totalling more than 63,000 *reales vellon* should be invested in the administration of 118,736 *reales* of annual income. While it cannot be proven that the new administration is less burdensome than the old or actual one, the censured observations will continue being considered correct and conducive to equity and common interest, as well as the opinions of representatives who have just arrived from other dominions of His Majesty in Asia.

To the official of the Post Office to whom we wish to give satisfaction, we give the benefit of the doubt that in his illusions he had no intention of blurring the integrity, the effectiveness or the excellence of the treasurer taken by the Superior Government of those Islands. Nor that he meant to attack the officials of the Secretaryship who undertake commissions for the good of the public service in more important offices than the Post Office. In this office, they have rendered services that cannot be obscured because such services are permanent testimonies of work done for the General Superior Government in which they have been able to effect the restitution of funds, the collection of the uncollected, and inquiry into the wherefore of other funds designated for things that have nothing to do with the office. All of these would not have been done if the commission of this Superior Government had not been assigned to someone who had not had the antecedents that this office had, and with the determined and justified protection of His Excellency Pascual Enrile, then Captain-General of the Islands and now assigned in the Cortes.

I request you, the editors of the *Patriota*, to publish the preceding article in your commendable newspaper for which I shall be grateful.

## NUMBER TWO

ROYAL DECREE CITED IN THESE MEMOIRS  
AND THE EXCHEQUER

**T**he king has learned about the leniency with which the governor of the Islands has allowed the Auditor's Office of the Treasury to appeal judicial cases in violation of the law that provides expressly that no appeal whatsoever can be made to a higher court while the cases of said office are pending and while accounts are not balanced.

In order to avoid this abusive practice, H. M. has decreed that your Lordship (V.S.) be advised about this and see to the prompt compliance of said Royal orders so that the Chief Account or Auditor might be free to do the work he is assigned to. He should follow the prescribed practices regarding balances of accounts and the government should give its help whenever necessary so that the litigants might follow your orders. And your Lordship should not allow the appeal of judicial cases of the Auditor's Office to the Court of Justice if the balance of accounts is pending, for whatever is shown in this case would cause great harm to the Royal interests because of the subterfuge the debtors employ to delay or put off payment demanded by the Court.

The King has also learned about the reprehensible tolerance of the Director, Accountant, Treasurer and the Agent of the Tobacco Tax; of the Customs and the general wine tax administrators and of the Attorney General. These, in addition to holding different jobs incompatible with their principal job, enjoy shares in the Galleon Trade as business commissions they hold; and all other jobs that have no bearing on the compliance of what are required of their jobs in the Royal Treasury, pursuant to the laws or Royal decrees regarding this matter. Holders of such jobs should be separated from the service immediately and your Lordship should advise H. M., that he might appoint others to serve with integrity and impartiality in lieu of them.

His Majesty also expects your Lordship to do on your own, everything in your power, so that the jobs of the Royal Treasury should be given to those who are honest; everyone should be advised to comply with their respective duties, not to dedicate themselves to business (which is prohibited) and should be compelled to make an accounting to the Auditor's office, giving the value of the taxes without any excuses or delays. And that your Lordship punish with the full force of the laws the frauds and malversations committed. For it is irregular that delayed debts and uncollectibles reach the amount of 144 pesos fuertes in 1802

and more than 200 pesos fuertes at present. It is feared that in the future these debts will continue to rise and the Royal Treasury funds shall be malversed unless the government takes measures to help the Chief Accountant effectively and vigorously.

Finally it has come to the knowledge of the King that the General Administrator of wine and the Royal officials of that capital have two boats operating at the expense of the royal treasury used by them for pleasure and recreation; that the warehousekeepers under these ministers store much lumber which get lost; that in the warehouses luxury items are found and had been bought unnecessarily, and that in the Royal Pharmacy the same anomaly is practised due to the leniency of the Royal officials in their dealings with their subordinates. However, these goings on have not been confirmed. His Majesty decreed that your Lordship take the necessary precautions to avoid all abuses and malversations of the stored items, punishing the wrongdoers and reporting to me how much has been done in this regard. All of these I made known to you through this Royal Decree for your information and prompt compliance. God keep your Lordship many years. San Lorenzo, October 29, 1807 = Soler = The ad interim Governor of the Philippines Islands.<sup>1</sup>

As further proof of my love and gratitude to the Philippine Islands, it is opportune that I include in these Memoirs the following article which I sent for publication in the newspapers of the capital, *La Tribuna*, as a vindication of what was published in a pamphlet against the Islands. In this article the importance and value of our Philippines are pointed out. It was published on Sept. 23 of this year (LA TRIBUNA, NUMBER 621).

### REMITTED: PHILIPPINES

The Editors, LA TRIBUNA

Dear Sirs:

Should you publish the following article in your liberal newspaper besides doing the author a favor, you would be doing a special

<sup>1</sup>Despite this ancient Royal Decree and many others which are more modern, and some, more forceful, the abuses have not been stopped. Many of them have been cited in these Memoirs and I could add more, citing incidents and naming persons but I proposed not to write about these and I shall not detract from this objective. The publication of these Memoirs is intended only to give precise information about our Philippines, to make known the state the country is in, so that reforms required by these Islands might be introduced. And disregarding the good that has been exaggeratedly said about those Islands mostly out of sheer ignorance, the country should be seen in its proper light and the people might have a better idea of all that are found in that very interesting part of the nation.

service to the nation giving through this means an idea of the usefulness and importance of our rich Philippine Islands and nullify what have been circulated in a certain pamphlet against them. This favor shall be appreciated by your servant.— A Spaniard.

Recently, I read a pamphlet published in Madrid by A.J.P. with the title *To the Regent of the Kingdom and to the Nation during the actual ministerial crisis and with the articles: "National Guarantees"; "Civil State"; "Her Defeat"; "Her Regeneration"; "Abolition of the Employment Mania"; "The Military State and Ministry of Treasury."* It was published last May and proposed the cession of our Philippine Islands to England in exchange for Gibraltar. I found it opportune to write, not to answer the disguised author of such work but to bring out four ideas, not complicated ones, but enough to banish the "favorable" impression that this pamphlet might have had. However, considering what he says about the Philippines it is impossible that anyone would believe them.

This is not a direct answer to the author of the pamphlet, and I should add that if he should insist on his beliefs, he should present himself openly and write over his real name. This article intends to show how indiscreet (if he is not out of his mind), he was when he said such nonsense about the Philippines asserting that these Islands are only a monument to the old splendor of Spain, and a liability rather than an asset to this country. An assertion extremely hazardous and unfortunate. And if the manner in which this was done is considered, we would be forced to conclude one of two things: that the author does not even know that the Islands exist or where they are found; or that he had ulterior motives in writing what he did. The first is incredible and so we venture to say that only gross ignorance of what the Philippines really are could have led the author to give that proposal. Said in a private conversation by one who has never seen the Philippines, it is irreparable but of great transcendence since it was written and published. He makes odious comparisons and dares to dismember or to tear the Monarchy asunder proposing to alienate such a precarious part like the Philippines (which can now be justifiably called the most precious gem of the crown that adorns Spain).

Hardly anyone would agree with such a proposal: not the regent of the Kingdom, not the members of the Cabinet who now rule over the destinies of the nation; not the members of the legislative bodies, nor even the people belonging to the lowest class. None of them would favor such a thing. And so the Philippines can be sure that the unquestionable loyalty she has always had for Spain will not be reciprocated by the Government with her cession to any foreign nation in exchange for any title or for any price.

Nevertheless, reasons should be cited to give a better idea of

the value of those Islands to those who know them with some basis. Through these means the lack of precision with which the pamphlet was written can be shown. For, even if it is conceded that the author wrote in good faith and with most earnest desire for the good of that nation ( a desire that could not be greater than that of this author) he hazards too much in what he proposes considering this suggestion of separating the Philippine Islands from Spain. It is imperative that such an idea is counter-acted.

The author of this article is writing for the public for the first time, thus, if his ideas are not presented eloquently or in a good style, he begs the indulgence of the readers. Any error committed should be overlooked and the reader should try to see only the extreme patriotism that fills him. Besides, if these observations and others on the same topic should be published later and exaggerated or erroneous, I wish I would not be blamed for it. My only intention is to give an idea of the usefulness, importance and value of our Philippines and, through this, spur others who are more talented and have more time to continue writing on such an interesting matter and give it its real worth.

## AGAINST THE IDEAS OF THE PAMPHLET

In order to justify a deficit of a little more than 65,000 annually and show that the Philippines was a liability to Spain, the author pointed out the state of affairs the country was in in 1798. It is a most baseless principle that can be used; the most ignorant would doubt the good faith of its author. Those who know the country can see the lack of precision in his work and that he is ignorant of what the beautiful country is. The following which is a mathematical demonstration gives sufficient proof of this. If he wants to write on this topic, we suggest that he looks up reliable sources and acquire more exact and up to date data especially in dealing with the state of the revenue or the population. His actual sources are what are called "papers soaking wet" which, with the passing of time of no less than 43 years, are worn out and have become illegible. Forty three years are more than enough to overthrow and impoverish the most powerful and richest nation and to lift up the most miserable and helpless one.

Number 10.—General State of Taxes and Expenditures corresponding to 1809 "with 445,444 pesos (fuertes), 5 reales and 9 granos net, in favor of the Treasury.

This is 32 years old and is too old. We shall therefore use more recent data to which there are hundreds of witnesses who will affirm the data is correct.

At the end of 1835, Don Francisco Enriquez, in his capacity as Quarter Master of the Army and General Superintendent subdelegate of the Public Treasury of the Philippines, published memoirs about the State of the Treasury in those Islands - its financial condition when he took over and at the end of his term. There was no deficit of over 65,000 for one year as the pamphlet says. It was more solvent when it was turned over to him than when it was under Comin in 1810, and with all the liabilities settled.

In the cited Memoirs, after commenting about the progressive and considerable increase of debts in arrears of more than 40 years, and after covering all expenses and accounts of the Treasury, there was an excess of one million *pesos fuertes* cash on hand and the warehouses contained 275,000 bales of tobacco whose selling price (at minimum) was equivalent to "four million", 114 thousand, 816 pesos (*fuertes*) or 82 million, 296,320 reales *vellon*." Add to this that, since 1825 and later, the taxes have increased and until now the drafts over the Philippines have been in large amounts and have been very frequent since 1835. Large remittances of tobacco which have been collected and paid there keep coming and until now nothing has been said about the decrease of revenue and there has been reason to believe that it has increased and are paid for. And all of these summed up show that there is no basis of the deficit alleged by the author of the pamphlet. The data cited do not admit of any doubt.

The population of the Philippine Islands in 1833 according to the latest data, by provinces, number of towns they contain and the number of tributes<sup>2</sup> paid.

NAMES OF PROVINCES	TOWNS	TRIBUTES	POPULATION
Albay	38	27,919	139,595
Antique	11	15,650	78,250
Bataan	10	7,784	38,920
Batangas	13	39,339	196,695
Bulacan	19	37,547	187,735
Cavite	10	16,602	83,010
Cagayan <sup>3</sup>	34	21,520	107,600
Calamianes	12	4,146	20,730
Camarines, Norte	11	5,007	25,035
Camarines, Sur, Bishopric	27	37,463	187,315
Capis	22	23,088	115,440
Caraga	30	6,502	32,510
Ilocos, Norte	14	38,092	190,460
Ilocos, Sur, Bishopric	23	41,617	208,085
Iloilo	31	46,411	232,055
Islas Batanes	3	1,600	8,000
Islas Marianas <sup>(4)</sup>	3	1,600	8,000
Isla de Negros	23	12,196	60,980
Laguna de Bay	33	27,162	135,810
Leyte	31	18,255	91,275
Mindoro	8	8,238	41,190
Misamis	23	7,036	35,180
Nueva Ecija	15	4,657	23,285
Pampanga	26	36,472	182,360
Pangasinan	31	43,127	215,635
Samar	28	18,546	92,730
Tayabas	16	15,463	77,315
Tondo	30	57,006	285,030
Zambales	15	7,902	39,510
Zamboanga	2	2,000	10,000
Zebu, Bishopric	38	40,711	203,555
<b>TOTAL</b>	<b>627</b>	<b>669,038</b>	<b>3,345,190</b>

<sup>2</sup> By tribute is meant that collected from a family of five members or less.

<sup>3</sup> This province has been divided recently into two.

<sup>4</sup> This province has been divided recently into two.

## CONCLUSION

After having shown clearly the large revenue given by those provinces to the State, all accounts and obligations (quite a number of them) settled properly, it is a fact that the Philippines is not only a monument of ancient splendor and power of the Spanish nation but also a profitable possession on many counts, and highly productive. Anyone who would belittle the wealth and value of those Asiatic Spanish provinces would be convinced they are wrong after seeing these figures. Should these persons be Spaniards and they love their country, this unfortunate country, deserving a better fate because of its many titles and wish to contribute to the recovery of her dignity and power and elevate them to what they had been not too long ago when Spain was second to none in her triumphs, when she was the marvel and envy of all the nations, then they should first and foremost think and never forget that we are Spaniards and live up to what our name represents.

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